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CAMPAIGN TEXT-BOOK

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## "FOUR GREAT FACTS."

"Four great facts seem to justify the Republican party in asking the voters of the United States to continue it in control of the affairs of the Government. First, the promptness with which it has fulfilled the pledges of its platform upon which it successfully appealed to the people in 1896; second, the prosperity which has come to all classes of our citizens with, and as a result of, the fulfillment of those pledges; third, the evidence which that prosperity furnishes of the fallacy of the principles offered by the opposing parties in 1896, and still supported by them; and, fourth, the advantages to our country, our commerce, and our people in the extension of area, commerce, and international influence which have unexpectedly come as an incident of the fulfillment of one of the important pledges of the platform of 1896, and with it the opportunity for benefiting the people of the territory affected."—From the Republican Campaign Text-Book of 1900.

The above quotation from the opening pages of the Republican Campaign Text Book of 1900 applies with equal force to conditions in the present campaign. The four great facts which justified the party in asking the support of the public in 1900 were: First, that its pledges of 1896 had been redeemed; second, that prosperity had come as a result; third, that developments since 1896 had shown the fallacy of the principles upon which the Democracy then appealed for public support; and, fourth, the conditions which had come to other parts of the world and their people as a result of promises fulfilled by the Republican party in the United States. These assertions made in the Text Book of 1900 have been fully justified by the added experiences of another four years. The pledges of 1896 and those made in 1900 have been redeemed. The Protective Tariff has been restored; the Gold Standard made permanent; Cuba freed and given independence; the Panama Canal assured under the sole ownership and control of the United States; a Department of Commerce and Labor established; Rural Free Delivery given to millions of the agricultural community; the laws for the proper regulation of trusts and great corporations strengthened and enforced; prosperity established; commerce developed; labor protected and given ample employment and reward; intelligence, prosperity, and good government established in distant islands; and the flag of the United States made the emblem of honor in every part of the world.

All of these great accomplishments have been the work of the Republican party. In each of them it has met the discouragement, the opposition, and the hostilities of the Democracy. The Protective Tariff was fought at every step, and is to-day denounced by the platform of the Democrats as a "robbery." The act establishing the Gold Standard was opposed and the Democratic vote cast almost solidly against it, and that party in its convention and platform of 1904 deliberately refused to retract in the slightest degree its advocacy of the free and unlimited coinage of silver. In the war for the freedom of Cuba, the work of the Republicans was met with harsh criticism and discouragements at every step. In the efforts to establish peace and good government in the newly acquired territory, each step met with opposition and false charges and the demand that the territory and its millions of people be abandoned to internal strife or control by a monarchial government. The acquirement of the right to construct the Panama Canal was met with opposition and obstruction at



every point. The enforcement of law against trusts and other great corporations was denounced as ineffective and designed to deceive the public. The establishment of rural free delivery was discouraged. The splendid prosperity which followed the restoration of the protective tariff was decried and denounced as fictitious and temporary, and an attempt made to sow the seeds of dissatisfaction and discord among the people by complaints of the higher cost of food which came as the natural results of the increased demand accompanying general prosperity and high wages.

It is upon this additional evidence of the past four years, evidence that the Republican party is the party of progress, and the Democracy the party of inaction, retardment, and fault-finding, that the Republican party again confidently appeals for public support in the Presidential and Congressional elections of 1904.

### **"THE POLICY OF OPPOSITION."**

#### **Mr. Littleton's Real View of Democratic Policies and Prospects.**

[Extract from speech before New York Southern Society, Feb. 22, 1904, by Hon. Martin W. Littleton, sponsor for Judge Parker at Democratic National Convention, July 8th, 1904.]

"While the war between the United States was in Progress it (the Democratic party) attempted to swim against the tide on a policy that declared the war a failure, and met that fate which all parties have met that attempt it.

"The Democratic party sought to destroy the evil of some monopolies by assuming an antagonistic attitude to all large corporate concerns just at a time when the business of the country was being conducted almost wholly by corporate agency, and it went down under the influence of a fact.

"It attempted to arrest the course of events in the Spanish-American war just at a time when our fleets were fighting and our armies marching, and it went down again under the influence of a fact.

"It endeavored to undo events which had taken place in the Philippines and to reverse an accomplished thing, and it went down under the weight of a fact.

"It is now seeking to delay the progress of a great commercial enterprise on the Isthmus of Panama by opposing the treaty with the new republic just at a time when the nation, and especially the South, needs and demands such an enterprise, and it will again go down under the influence of a fact, if it persists.

"It sought to change the money standard of the country from gold to silver just at a time when the powerful nations of the earth were holding or changing to gold, and it went down under the influence of another fact.

"The policy of opposition is not the true tradition of the party. It held for nearly fifty years the affirmative place in the politics of the country. It stood upon aggressive grounds, it recognized events, it was not a doctrinaire, it held to the facts. It was until the war a constructive party of conservative principles, and under the misfortune of slavery it paused to defend that institution, and allowed the Republicans to take the ground from it, and since that time it has thought it wise to oppose its own policies, if they chanced to be espoused by the Republicans.

"It does not need to return to ante-bellum policies, but it does need to go back to the ante-bellum method of dealing with events. It must understand that if Jefferson said he was opposed to expansion, and then proceeded to expand, what he did is the thing, and not what he said. It must understand that if he said he was opposed to a Navy, and then found it necessary to establish a Navy, what he did is the thing, and not what he said. It must understand that if Madison or Monroe said that they were opposed to national banks, but found they were necessary to establish a sound financial system, and did establish them, what they did is the thing, and not what they said. It must understand that if Jefferson, Madison, Monroe, Calhoun, Jackson, and Benton all insisted that the Constitution should be strictly construed, but found on actual experiment that it was best to give it a liberal construction, and did so, what they did is the thing, and not what they said."



## INTRODUCTION.

The purpose of this book is to furnish in concise and convenient form for reference such information as is likely to be required by speakers, writers and others participating in the discussions of the Presidential campaign of 1904. However well advised the speaker or writer may be upon the topics of the campaign, he will require for reference many facts and figures which can only be had by consulting numerous publications, many of them so bulky as to be practicable for desk use only. This work is intended to present in concise and portable form the more important of these facts and figures, so condensed and arranged as to be convenient for ready reference in the field, on the stump, upon the train, or wherever they may be desired. The arrangement of the book will be apparent upon an examination of the table of contents which occupies the opening page. It will be seen that each of the subjects likely to require discussion in the campaign is treated under its proper title and that these discussions of the various subjects are followed by such statistical statements as may be required for further reference, while a copious index which follows the table of contents and occupies the opening pages of the book will, it is hoped, enable those utilizing the volume readily to find the detailed facts which they may require for instant reference. Care has been exercised so to arrange the matter with headings and subheadings as to add to the convenience of the volume as a reference work, while a line at the top of each page indicates the general subject discussed upon the page. The statistical and historical statements presented in the discussions have been carefully verified and the authority, in the more important statements, cited, while the tables are in most cases from official publications of the Government or from accepted authorities and duly accredited, thus enabling those utilizing them to quote their authority for the figures presented.

While a text book which must be a pocket companion in the field is necessarily limited in size, it has been deemed proper to present as fully as practicable in a book of this character information upon subjects likely to receive especial attention, and the space allotted to the chapters on Tariff, Trusts, Wages and Prices, the Philippines, and the Work of the Army has been adjusted to the possible requirements of those desiring information upon these subjects. Much unfounded criticism has been offered by the Democrats with reference to the enlargement of the army and the expenditures under its operations, and it has therefore been deemed proper to present somewhat in detail information regarding the work which it has so successfully accomplished both in war and in the development of conditions at home vital to the general requirements of a great nation and to the fact that the great expenditures under its operations have been made with the utmost fidelity. The criticisms of the work of the party in regard to the Philippines, coming from a party which has already the record of having hauled down the American flag in islands of the Pacific suggest the importance of a full presentation of the splendid work done in those islands and the improved conditions there which have resulted. The constant but unfounded assertions that cost of living has advanced more than wages justifies the detailed discussion of this subject which will be found in the chapter entitled "Labor, Wages, and Prices," and especial attention is called to the information there presented which fully disproves these assertions. This information is especially valuable by reason of its official character, being the work of the Bureau of Labor, whose accuracy and absolute fairness have never been called in question, and also by reason of the further fact, that it brings the study of the relative advance in wages and cost of living down to the very latest date, covering fully the year 1903 *with reference to retail prices*—the prices which directly affect the consumer and wage-earner. These facts are the result of studies given to the public by the Bureau of Labor in its July, 1904, Bulletin, and therefore the very latest, most complete, and absolutely reliable information upon this vital topic, and will fully answer the assertions of the Democracy upon this subject.

While many of the facts, historical and statistical, here presented are, in general terms at least, familiar to a large number of those who will have occasion to utilize this work, their presentation in convenient form for reference is deemed proper in view of the fact that of the 20 millions of potential voters in the United States in 1904 a large number have never before had opportunity to participate in a Presidential election and therefore require special information of a fundamental character, seems to justify the inclusion in this volume of many statements generally familiar to those who have had longer experience in national affairs.

Two other publications, intended for the convenience and use of speakers, have been issued and should be consulted by those desiring thoroughly to prepare themselves for the discussions of the campaign.

One of these volumes, entitled "Pages from the Congressional Record," contains the more important speeches delivered in Congress upon the subjects likely to be discussed in the present campaign, including the Tariff, Trusts, Labor, Reciprocity, the Treaty with Cuba, the Panama Canal, the Philippines, the Relations with the Orient, the Record of the Republican Party and the Present Administration, the Post-Office Department Investigation, Rural Free Delivery, Government Expenditures, the Merchant Marine, the Navy, the Old Age Pension Order, and other subjects of this character. These speeches are in many cases the result of much careful study of the subjects discussed, studies made by men thoroughly familiar with national affairs and able to obtain the best and latest information bearing upon the subjects under consideration, and should be of great assistance to those desiring thoroughly to acquaint themselves with every feature of the great subjects to be considered in the present campaign. Not only do they present the views and arguments of the speakers upon the subjects to which these discussions are respectively devoted, but, since they are verbatim reports of the Congressional proceedings, they include in many cases the *arguments of the opposition* injected into the speech in the form of questions and *answered by the speaker in the running debate*, which frequently form an important and instructive feature of the speech itself. This document, which contains several hundred pages of the size of the Congressional Record, while too bulky for other than desk use, will prove valuable to those desiring to have in a single volume the latest and best discussions upon these vital subjects by men who have studied them under exceptionally advantageous circumstances.

Another volume, entitled "Extracts from the Congressional Record," contains brief extracts from speeches delivered in Congress upon subjects likely to be discussed in the present campaign. This work was compiled with great care from speeches and addresses by leading members of the party, not only in the recent Congress but in earlier sessions of that body, and contains *the best utterances of the party leaders during its entire history upon the great subjects likely to be considered in this campaign*. Protection, Reciprocity, Trusts, Prices, Republican Prosperity, Democratic Adversity, the Workingman, the Farmer, the Soldier, the Colored Voter, Rural Free Delivery, the Post-Office Investigation, Panama, Cuba, the Philippines and the Pacific, Shipping, the Navy, and the Record of President Roosevelt are discussed in these concise extracts from the public utterances of party leaders past and present. The volume containing these extracts is of such compact size and form that it may readily be used as a pocket companion, in the field or on the train, and will prove a valuable supplementary work in connection with this text book.

Both of the above volumes, "Pages from the Congressional Record" and "Extracts from the Congressional Record," may be obtained upon application to the National Committee.



## THE TARIFF.

**"We denounce Protection as a robbery."**—*Democratic Platform, 1904.*

**"Protection which guards and develops our industries is a cardinal policy of the Republican party."**—*Republican Platform, 1904.*

The question as to whether tariffs should be levied solely for the purpose of producing revenue or should also be so adjusted as to protect domestic industries from undue foreign competition has been a controverted one for many years—through generations in fact.

The primary idea in levying a tax upon merchandise entering a community or State was to require persons from abroad trading in that community to bear their proper share in the public expenditures. The tranquillity and order of the community, and hence its commercial possibilities, were maintained by the government, for whose support the local producers and merchants were taxed, and it was held that merchants from abroad desiring to enjoy the privilege of trading in that community should contribute their proper share to the maintenance of the government, which assured commercial privileges, and that they should contribute a relatively larger percentage of the value of the merchandise sold than was required of the local dealer, because the foreign merchant carried away with him his profits while the domestic producer or dealer expended his profits in the home community in the support of his family or in the employment of other members of the community. Hence the tariff—a tax upon merchandise entering a community from abroad.

While it is true that the actual payment of tariff duties is, under modern methods, made by the residents of the community who import the merchandise or act as local agents for the foreign producer, it is also true that at least a part of this is compensated for by the foreign producer or dealer through a reduction in his prices as an offset to the duty which the importer must pay. The claim that the foreign producer or merchant pays at least a part of the tariff levied on imported goods is now admitted in free-trade England, whose manufacturers and merchants have had long practical experience as sellers to high tariff countries and are now urging the adoption of a protective tariff system for their own country.

### ALL NATIONS HAVE TARIFFS.

All nations raise a large share of their revenue by a tariff. The view which many have held that "free-trade" nations, such as the United Kingdom, have no tariff is an erroneous one. The total amount collected from tariff duties on merchandise entering the United Kingdom is more than 150 million dollars per annum—a larger sum per capita of her population than the per capita of tariff collected in the United States. See discussion of British tariff, page 70.

This sum, however, is collected from duties levied upon non-competing articles, such as coffee, tea, tobacco, etc. This illustrates the difference between the methods of the free-trade and the protective-tariff schools. Under methods of the free-trade school tariff duties are placed upon articles of general consumption with the sole purpose of raising revenue, which articles must be obtained solely from abroad, while under protective tariffs they are levied upon articles of a class which can be produced at home and which if brought in in unlimited quantities and without payment of tariff taxes would place the cheap labor of foreign countries in direct competition with home labor.

The question upon which men have divided with reference to tariff, then, is not as to the wisdom of collecting funds through tariff taxation, but whether the tariff shall be so adjusted as to protect home producers and workmen from undue competition by low-priced labor abroad, as well as to encourage the establishment of new industries through similar protection.

## DANGER FROM OUTSIDE COMPETITION CONSTANTLY INCREASING.

Originally the danger to domestic industries from foreign competition was much less than at the present time. Merchandise brought into any country from abroad must first bear the cost of transportation, and in times when the cost of transportation was great, and when goods were necessarily transported by animal power and by sailing vessels only, this high cost of carriage was of itself a protection to the domestic producer in any country. True, the producer of merchandise just across the border line of a country had an enormous advantage over the producer a thousand or five thousand miles distant, but as only a small proportion of the producers were located near to the border line such countries did not find it necessary to establish high tariffs to protect their own producers or manufacturers. The distance which foreign goods must be carried and the cost of transportation over that distance alone serve to create a protective wall for the domestic producer. In late years those conditions of distance and transportation have absolutely changed. The railroad and the modern steamship have reduced the cost of transportation compared with that in the early part or even in the middle of the century just ended; while the telegraph and the telephone have annihilated distance and time. Merchandise from the interior of Europe, ordered by telephone, telegraph, and cable, transported from its place of production by trolley road, canalized rivers, or boats operated by steam or electricity, or by railway to the Atlantic, and thence by great steamships, built to carry hundreds of carloads at a single voyage, across the ocean, and again transported to the interior of the United States by the cheapest land transportation ever known to man, can be placed at the door of the consumer in the Mississippi Valley for a very small percentage of the cost of transporting the same at the middle of the last century. As a result the protection which distance and the cost of transportation afforded to the local producer has disappeared, and without a protective tariff, established by the Government, he has as his direct competitor the low-priced labor of any and every part of the world. The cheap labor of the densely populated countries of Europe, the 140 million low-priced workers of Russia, the 300 million people of India, whose average wage is but a few cents per day, and the 400 million workers of China are to-day as much the competitors of the workman of the United States as though they were located but just across the border. Modern methods of transportation and communication have brought these great masses of producers to our very doors, and without the protection which the tariff affords would place that cheap labor in as close competition with our own as it would have been a half century ago if located but a hundred miles away.

## DESTRUCTION OF NATURAL PROTECTION.

As an example of the reduction in cost of transportation may be cited the fact that the annual average freight rate on wheat from Chicago to Liverpool, by the cheapest method of transportation, in 1873 was 40 cents per bushel and in 1903 8 cents per bushel, or but one-fifth that of only 30 years earlier. Comparing conditions now with those of the early part of the last century the reduction is still greater, and the cost of transportation at the present time may safely be said to be less than one-tenth of that then existing. An illustration of the reduction in cost of transportation through modern methods is found in the fact that the census of 1880 showed that the railways could transport a ton of wheat for a given distance as cheaply as a single bushel could be transported the same distance by horse power, and railway rates have fallen practically one-half since that time. That high authority the *Encyclopedia Britannica* states in its 1903 edition that the mechanic in Liverpool *may now pay with one day's wages the entire cost of transporting a year's supply of bread and meat for one man from Chicago to that city.*

These facts illustrate how completely modern methods have destroyed the protection which the local producer formerly had against foreign competitors, and explain the reason why modern governments have found it necessary, one by one, to adopt the pro-



protective system, until now the most ardent and only remaining supporter of the nonprotective system, the United Kingdom, is seriously discussing the adoption of a protective tariff. This gradual destruction of the natural protection formerly afforded by distance and cost of transportation accounts for the fact that it has been found necessary to maintain the protective tariff on the various industries as they have developed, and that this necessity for maintaining protection for those industries has meantime been recognized by all other leading manufacturing countries of the world whose industries were developed even before those of the United States, except in the case of the United Kingdom, whose people are now clamoring for a return to protection of their long established domestic industries. This reduction in cost of transportation is indeed one of the chief causes of the steady movement toward protection which has characterized the history of the world during the last half century. The fact that, with improved methods of transportation and a narrowing of distances and cheapening of cost of transportation, the whole world has become the next-door neighbor of each community has compelled that community to establish tariff duties of a character which would reduce the competition offered by the cheap labor of those communities against which distance no longer affords protection.

Practically all of the 500,000 miles of railway and 16 million tons of steamship tonnage with which the world is now supplied have been created since the middle of last century; the world's international commerce has quadrupled while the world's population was increasing but 50 per cent, and during that very period the nations of the world have one by one found it necessary to establish tariff protection to take the place of that protection which distance and high cost of transportation formerly afforded.

#### TARIFFS OF OTHER COUNTRIES.

France, which adopted a protective system in the early part of the nineteenth century, experimented briefly with free trade between 1860 and 1880, but promptly returned to the protective system, which she has maintained ever since that time with great prosperity to her people. Germany experimented with free trade between 1868 and 1878 by a reduction of the tariff schedules of the Zollverein, but gladly returned to protection in 1879 and 1881, and since that time the development of German industries and the progress and prosperity of the nation and its people have commanded the attention and admiration of the whole world. Russia had a protective tariff system in the early years of the last century which she abandoned in 1819, but after experiments in the line of free trade gradually returned to the protective system, and under it has developed in recent years manufacturing industries of great magnitude. Austria-Hungary experimented between 1853 and 1882 with a series of comparatively low tariffs, but in 1882 restored thoroughly protective duties and has further increased them since that time, developing a great manufacturing system and prosperity far greater than that of earlier years. Italy had low tariffs prior to 1870, but began about that time a system of protection, adding articles from time to time to the tariff schedule and making her tariff system a thoroughly protective one, resulting in a rapid development in recent years of her manufacturing industries and in generally improved conditions. Belgium adopted a protective tariff system in 1844, and under it her manufacturing industry has become of greater importance in proportion to population than that of almost any other European country. Netherlands adopted the protective system in 1845, abandoning it in 1862, but has now taken a step toward a return to protection, a tariff measure increasing the rates of duty on manufactured articles having been recently sent by the Government to the legislative body with a recommendation for its adoption. Sweden and Norway have, after experiments with low tariffs, adopted a protective system which is described by Curtiss as "perhaps on the whole more protective than that of any other European country," the tariff act of 1892 having been termed the "McKinley Bill of Sweden." Spain and Portugal experimented with free trade from 1859 to 1882, unsuccessfully, and have since those experiments materially increased their tariff rates with a strong protective tendency. In other parts

of the world protection is also gaining steadily. The principal British colonies—Canada, South Africa, Australia, and New Zealand—have adopted protective tariff systems. India has recently increased her tariff rates. Japan a couple of years ago adopted a new tariff which increased and in some cases doubled the rates of duty, especially those on manufactured articles.

#### BRITISH REVOLT AGAINST FREE TRADE.

In the United Kingdom, which has been pointed out by free traders as a marked example of the success of their system, leading statesmen are now urging the abandonment of that system and a return to protection, and are supporting their proposition by statements showing that the export trade of the protected countries has grown much more rapidly than that of free-trade England, and that in the absence of protection against those countries English manufacturers and workingmen are being deprived of their home markets through large importation of manufactures from other countries. The official reports of the British Government show that the imports of manufactured goods into the United Kingdom increased 71 per cent between 1880 and 1901, while into the protected country of Germany the increase was only 36 per cent, into France 28 per cent, and into the United States 20 per cent in the same period. In exports of manufactured goods the British official figures show that the United Kingdom increased only 12 per cent from 1880 to 1901; France, 22 per cent; Germany, 73 per cent, and the United States 300 per cent in the same period. It is because of stubborn facts such as these that the United Kingdom, which has stood out in favor of free trade while all the rest of the world is abandoning it, is now proposing to adopt protection. For British tariff see page 70.

#### Tariffs of the United States.

The question of raising revenues was one of the chief motives in the formation of the national constitution. The different states or colonies under the confederation were levying duties either for revenue or for the protection of their manufactures in competition with other colonies or states, and thus conflicts arose and it seemed necessary to have uniformity and also provide a certain and effective way for raising revenue to carry on the operations of the general government. There was a prejudice against levying taxes upon property in the colonies for this purpose, therefore it was in the minds of those who framed the constitution that the principal source of revenue would be found in the levying of duties upon foreign imports, so that one of the compromises of the constitution provided that direct taxes should be levied upon the basis of population, and not upon the basis of property. It was also then generally believed that the imposition of duties upon imports would gradually stimulate and develop manufacturing industries in our own country. So that under the constitution the power given to Congress to levy duties on imports was a plenary one, and not subject to limitation either as to rates of duty or as to the articles upon which duties should be levied. It was expected that the revenue for national purposes would be chiefly derived from tariff duties, and although there was a difference of opinion as to the rates of duty, the general purpose of a tariff law was distinctly stated in the first tariff act under the constitution in 1789, which purpose was declared as follows: "Whereas, it is necessary for the support of government, for the discharge of the debts of the United States and the encouragement and protection of manufactures that duties be levied on goods, wares, and merchandise imported, etc., etc.," thus showing in the beginning the general view as respects this subject. This view was the generally accepted one for a considerable time, but later, owing to a diversity of interests as between the several states and to the partial localization of manufactures and the rapid development of the growth of cotton, it was urged that the impositions of such a tariff worked injury to one part of the country for the benefit of another, therefore, the question was raised whether a tariff should be raised solely for the purpose of raising revenue or should also be so adjusted as to protect domestic industries from undue foreign competition. The agitation of this question was stimulated by the agitation of free trade in Great Britain, having for its chief purpose the repeal of the corn laws.



Thus from the beginning the obtaining of revenue and the encouragement and protection of manufactures were united as motives for levying duties on articles imported. This mode at that time generally prevailed in foreign countries, and received general acquiescence here, and thereby in levying a tax upon merchandise entering a community or state, persons from abroad trading in that community or state were required to bear their proper share in the expenditures of such community or state.

#### THE PROTECTIVE THEORY IN EARLY TARIFFS.

The protective theory was recognized in the first tariff of the United States, which declared in its opening words that—"Whereas it is necessary for the support of government, for the discharge of the debts of the United States, and the *encouragement and protection of manufactures* that duties be levied on goods, wares, and merchandise imported," etc. That tariff imposed duties upon about 75 articles, the rates of duty ranging from  $7\frac{1}{2}$  to 15 per cent on those articles upon which an *ad valorem* duty was imposed, though on more than half of the articles named the rates of duty were specific. One year later an additional number of articles were placed upon the dutiable list, still others in 1792, and again in 1794, the average rates on dutiable articles by that time reaching 13 per cent. In the year 1812 the war tariff doubled the rates of duty, making an average rate of 32.7 per cent, and under that tariff, coupled with the stimulus given by the war, occurred great activity in manufacturing.

In 1816 the Lowndes-Calhoun bill went into effect, giving an average rate of about 26 per cent, which, however, was too low to prevent vast importations from England which were sent at less than cost prices with the distinct purpose of crushing out of existence the infant industries which had been developed during preceding years, and especially during the short protective period from 1812 to 1816.

#### TARIFF OF 1824.

In 1824 a higher protective tariff was enacted, giving an average rate on all imports of 37 per cent, and in 1828 this was increased to bring the average up to about 48 per cent, and continued in operation until 1834. During that time great prosperity came to the people of the United States, both to the manufacturing industries and to those supplying the food and materials consumed by persons engaged in those industries. Henry Clay, commenting on conditions of that period, said: "If the term of seven years of the greatest prosperity which its people have enjoyed since the establishment of their present Constitution were to be selected it would be exactly that period of seven years which immediately followed the passage of the tariff act of 1824." Major McKinley, commenting later upon conditions of that period, said: "The entire country, under that tariff, moved on to higher triumphs in industrial progress, and to a higher and better destiny for all of its people." President Jackson, in a message to Congress in 1834, the year prior to the repeal of this protective tariff law, said: "Our country presents on every side markets, prosperity, and happiness unequalled perhaps in any other portion of the world."

#### LOW TARIFF AND THE CRASH OF 1837.

In 1833, however, under pressure of the low tariff supporters the Clay compromise tariff act was passed, reducing the rates of duty and providing for a further gradual reduction during a term of years to bring the average rate on all imports down to about 17 per cent. This was followed by a decline in trade and industry, by an inundation of foreign goods, by financial depression, assignments and bankruptcies, until the culmination came in the financial crash of 1837, one of the most appalling and disastrous financial revulsions ever known, the revenue so falling off that the Government was obliged to borrow money at high rates of interest to pay current expenses, while workingmen were idle, the farmers without markets, and their products sold by sheriff to pay debts.

In 1842 a protective tariff was enacted which was followed by general prosperity during the short period of four years in which

it was in operation. So prosperous was the country under this that President Polk, in his message of December, 1846, said: "Labor in all its branches is receiving an ample reward, and the progress of our country in her career of greatness, not only in extension of territorial limits and in the rapid increase of her population but in resources and wealth and the happy condition of her people, is without an example in the history of nations."

#### THE WALKER TARIFF.

At that very date (December, 1846), however, the celebrated Walker tariff went into effect, making a general and great reduction in duties, being a thoroughly free-trade measure in its principles. The war with Mexico, the discovery of gold in California, and the unusual demand abroad for agricultural products maintained prosperity in the United States during the earlier years of this Walker tariff, but much of the gold was drawn abroad in payment for the foreign goods imported and within a few years came a great depression, the closing of manufacturing establishments, lack of employment for labor and lack of home markets for the farmer. In 1850, Mr. Samuel Bowles, editor of the Springfield Republican, and other representative citizens of Massachusetts sent a petition to Congress entreating it to revise the tariff of 1846 in the interest of protection, and saying: "Previous to the passage of that law the manufacturing and mechanical interests of this community were in a flourishing condition. Since that time the condition of things has entirely changed, and it is fully believed that much of the stagnation of business will be traced to the operation of that law. Manufacturing languishes, mechanics are thrown out of employment, business of all kinds is dull, and unless protection can be afforded to our laboring classes poverty will overtake them." In 1854 *Hunts's Merchant Magazine*, a well-known free trade journal of that period, said: "Confidence is shaken everywhere and all classes are made to realize the insecurity of worldly possessions. The causes which led to this have been a long time at work. Goods which had accumulated abroad when the demand had almost ceased were crowded upon our shores at whatever advance could be obtained, thus aggravating the evil." The answer of Congress to these appeals, however, was a further reduction of duties made in 1857, and this was followed by a panic and commercial ruin, and such conditions that the Government was compelled to pay as high as 12 per cent and 13 per cent for money borrowed to pay the running expenses of the Government. Of this condition President Buchanan, the last Democratic President before Grover Cleveland, said in his message of 1860: "With unsurpassed plenty in all the productions and all the elements of natural wealth, our manufacturers have suspended, our public works are retarded, our private enterprises of different kinds are abandoned, and thousands of useful laborers are thrown out of employment and reduced to want. We have possessed all the elements of material wealth in rich abundance, and yet, notwithstanding all these advantages, our country in its monetary interests is in a deplorable condition."

#### TARIFFS AND CONDITIONS SINCE 1861.

In the 36th Congress a majority of the House of Representatives, being Republican, favored the substitution of a protective tariff for the amended tariff of 1846, and under the leadership of the then Chairman of the Committee on Ways and Means, Mr. Morrill, of Vermont, the House of Representatives during the long session of 1859-60 passed a protective tariff measure, which, during the short session of 1860-61, after the abdication of many Southern Senators, received a majority in the Senate, and was signed by President Buchanan before he vacated his office in March, 1861. Thus with the advent of the Republican party to control came the adoption of the protective system, and this became permanently a part of the policy of the Government until 1894, when the Wilson-Gorman low tariff act was passed. The prosperity which developed during that period is so well known that it need scarcely be alluded to. The value of farms and farm property increased from a little less than 8 billions of dollars in 1860 to over 16 billions in 1890, as shown by the United States census. The value of farm animals increased from one billion dollars in 1860 to 2½



billions in 1890. The value of manufactures increased from less than 2 billion dollars in 1860 to 9 billions in 1890; the wages and salaries paid to persons employed by the manufacturing industries increased from 379 million dollars in 1860 to 2,283 millions in 1890. The deposits in savings banks grew from 150 million dollars in 1860 to 1,712 millions in 1892, or about 12 times as much in 1892 as in 1860. Meantime the national debt, incurred by the war, had been reduced from 2,636 million dollars in 1866 to 841 millions in 1892; the per capita indebtedness from \$77 in 1865 to \$13 in 1892, and the annual interest charge per capita from \$3.98 in 1865 to 35c cents in 1892. Imports during that long period of protection increased from 353 million dollars in 1860 to 827 millions in 1892, and exports increased from 333 millions in 1860 to over one billion dollars in 1892. The share which manufacturers' raw materials formed in the imports increased from 17 per cent in 1860 to 24 per cent in 1892, and the share which manufactured articles ready for consumption formed in the imports fell from 35 per cent in 1860 to 17 per cent in 1892. The manufacturers of the country not only supplied the home markets which had been heretofore supplied from abroad, but increased their exportation of manufactures from 40 million dollars in 1863 to 160 millions in 1892; and the farmers not only supplied the greatly increased demand of the home market but increased their exportation of agricultural products from 256 millions in 1860 to 798 millions in 1892. As a result of this unexampled activity and prosperity the money in circulation in the country grew from 435 million dollars in 1860 to 1,601 millions in 1892, and the amount per capita increased from \$13.85 in 1860 to \$24.56 in 1892. Wealth meantime increased from 16 billions of dollars in 1860 to 65 billions in 1890, and the per capita wealth from \$514 in 1860 to \$1,038 in 1890.

#### THE WILSON-GORMAN TARIFF.

Then followed the Wilson-Gorman low-tariff law. True, it was not enacted until 1894, but the election in 1892 of a Democratic President and Congress notified the people of the United States that a change in the tariff might be expected, *and from that moment business began to decline.* The certainty of a tariff reduction, coupled with the uncertainty as to how great its extent might be upon each individual article, *caused the manufacturers to immediately curtail their production, and the reduction of employment which followed reacted upon all classes* in a reduction of the demand for their products and a reduction of price for that which found a market. As a result the bank clearings, that great barometer of business conditions, fell from 61 billions of dollars in 1892 to 52 billions in 1896, the year of the election of McKinley, whose very name was a promise of protective tariff. Money in circulation fell from 1,601 million dollars in 1892 to 1,506 millions in 1896, and the per capita from \$24.56 in 1892 to \$21.41 in 1896. Exports fell from 1,015 million dollars in 1892 to 863 millions in 1896; those of agricultural products alone falling from 798 millions in 1892 to 570 millions in 1896, while imports of manufactured articles ready for consumption increased from 142 millions in 1892 to 160 millions in 1896. The revenue of the Government fell off and loans became necessary to meet the current expenditures, and as a result the national indebtedness increased from 841 million dollars in 1892 to 955 millions in 1896—all during a time of profound peace. The effect upon all industries was strongly marked. The value of animals on farms fell from 2,461 million dollars in 1892 to 1,728 millions in 1896; the production of wool, under free trade in that article, fell from 294 million pounds in 1892 to 272 millions in 1896 and its value from 59 million dollars in 1892 to 33 millions in 1896; and the value of sheep on farms from 45 million dollars in 1892 to 38 millions in 1896. Pig-iron production fell from over 9 million tons in 1892 to 6½ millions in 1894. Rates of wages were reduced in all lines of industry; millions of men were out of employment, and as a result prices of farm products were greatly reduced. Railroad building, which had been proceeding at the rate of from four to five thousand miles per annum, fell to 1,700 miles in 1896. Over 25,000 miles of railway, or one-third of the total of the country, went into the hands of receivers, and the wages of their employes were greatly

reduced. As a result of these conditions the commercial failures increased from 10,344 in number in 1892 to 15,244 in 1893 and 15,088 in 1896, and the amount of liabilities from 114 million dollars in 1892 to 346 millions in 1893 and 226 millions in 1896.

#### THE PRESENT TARIFF.

Following the election of William McKinley and a Congress Republican in both branches a special session was held as soon as possible after McKinley's inauguration, and a protective tariff—that now upon the statute books—enacted. Under it has come prosperity to every branch of industry and prosperity to the Government as well as to its people. The interest-bearing debt, necessarily increased by reason of the war with Spain, has been reduced from 1,046 million dollars in 1899 to 895 millions in 1904; the per capita indebtedness from \$15.55 in 1899 to \$11 at the present time, and the annual interest payments from 40 million dollars in 1899 to 25 millions at the present time. The money in circulation has increased from 1,506 million dollars in 1896, the year of McKinley's election, to 2,503 millions on March 1, 1904; the per capita money in circulation from \$21.41 in 1896 to \$30.75 on March 1, 1904; the bank clearings from 51 billion dollars in 1896 to 114 billions in 1903 (having thus more than doubled), and the total bank deposits from 4,916 millions in 1896 to 9,673 millions in 1903. Farm animals increased in value from 1,728 millions in 1896 to 3,102 millions in 1903; pig-iron production from 8½ million tons in 1896 to 18 millions in 1903; steel production from 5¼ million tons in 1896 to 15 millions in 1903; coal production from 171 million tons in 1896 to 270 millions in 1902; the value of minerals produced from 623 million dollars in 1896 to 1,260 millions in 1902. Exports of agricultural products grew from 570 million dollars in 1896 to 873 millions in 1903, and exports of manufactures from 228 millions in 1896 to 407 millions in 1903, while manufacturers' raw materials, which formed but 26½ per cent of the imports in 1896, formed 38 per cent in 1903. As a result of all these things came increased wages, increased employment, and increased savings by the workingmen, as is shown by the fact that the money deposited in the savings banks increased from 1,907 million dollars in 1896 to 2,935 millions in 1903, and the number of depositors from 5,065,000 in 1896 to 7,305,000 in 1903. Railroads passed out of the hands of receivers; railroad building has resumed, the mileage of railroads increasing from 182,776 in 1896 to 205,000 in 1903, and the number of tons of freight carried by the railroads increasing from 773 millions in 1896 to 1,192 millions in 1902. With this great activity and prosperity has come an increase in national wealth from 77 billions of dollars in 1895 to 100 billions at the present time, placing the United States at the head of the list of the world's nations, and with a national wealth actually 50 per cent. greater than that of the United Kingdom, and as great as that of France and Germany combined.

#### As to Further Tariff Revision.

Much has been said during the past year as to the importance of a revision of the present tariff. To this it is only necessary to say in reply, that the Republican party has adjusted, revised, increased, or reduced the tariff whenever such adjustment, increase, or decrease seemed necessary during all of the 40 years since it assumed government in 1861. In that period of 40 years there have been more than 20 different tariff changes. A considerable number of these have been changes of a broad, general character, many of them increases or decreases all along the line, while others were of less importance and relating to certain classes of merchandise only, but any of them sufficient to show the willingness of the Republican party at any period of its control to make any necessary changes, revisions, or reductions which in view of new conditions may be demanded by public opinion. No body of men is more sensitive to public opinion or public demand than a Congress formed in the manner in which that of the United States is chosen and whose members are directly dependent upon popular approval for a continuation of their services. No body of men is more accessible to the public than a body to which each citizen of the United States is guaranteed by the Constitution the right of petition. An examination



of the history of our tariff legislation shows that while the protective tariff was adopted early in 1861, changes in rates of duty were made in 1862, 1863, 1864, 1865, 1866, 1867, 1869, 1870, 1872, 1875, 1879, 1880, 1882, 1883, 1890, 1894, and in 1897, and that all of these as well as many minor changes were, except that of 1894, made by the Republican party, by Republican votes in Congress, and approved by a Republican President. In many of these changes there was a marked reduction in rates of duty. Indeed, there has never been a time during the 40 years of Republican control that a Republican Congress did not respond to a popular demand for tariff changes, whether of advance or reduction. With this record it seems not unreasonable to assume that any changes in the tariff justified by conditions will be not only demanded of Congress by the people through their usual channels of approach, but that the changes thus demanded will be promptly made as they have always been during the record of the Republican party. A history of tariffs changes from 1789 to 1897 is given on page 56.

#### **Relative Growth in Coal Consumption in the Leading Protected and Free-Trade Countries.**

Another measure of the relative business and manufacturing activity in the low-tariff and protected countries is found in the coal consumption of the two classes of countries. The United Kingdom, Germany, and the United States are the great coal-producing and the great manufacturing countries, and the United Kingdom is a marked example of free trade and the United States and Germany are marked examples of protection. Usually attempts to measure coal consumption have been based on the mere figures of production, but these are misleading because of the fact that the United Kingdom exports such large quantities of coal. A table presented on page 61 shows the quantity of coal consumed in each of these countries, as well as the quantity produced and the increase in consumption since 1875. This table will justify a very careful study. It shows that the coal consumption of the United Kingdom has increased less than 50 per cent since 1875, that of Germany has increased about 200 per cent and that of the United States nearly 500 per cent. These figures have been very carefully compiled from official information and their accuracy cannot be doubted.

#### **Trusts and the Tariff.**

The Democratic assertion that the tariff is responsible for the existence of trusts and that it should be removed for the purpose of destroying those organizations seems scarcely justified either in fact or theory. It does not seem to be a fact that the tariff is responsible for the existence of trusts, nor does the theory of repeal of the tariff for the purpose of destroying them seem to be justified in view of the adverse effect upon industries a general which would follow. No one familiar with the history of trusts and great combinations in other parts of the world can for a moment accept as accurate the assertion that the tariff is responsible for the existence of organizations of this general character, whether under the title of trusts or otherwise. Mr. Blaine, in 1888, on returning from a visit to Europe, declared in his speech opening the Presidential campaign of that year that trusts and combinations to control prices even at that early date existed in free-trade England in large numbers; or, as Senator Holliver has recently expressed it, "England was even then mastered all over with trusts." In October, 1895, a steel-rail trust which embraced the steel-rail manufacturers of Great Britain was organized, and on February 5, 1896, the London Iron-trust announced the details of its agreement, the chief among them being that "there is to be no under selling." In 1895 the Sheffield Telegraph published the draft of a scheme proposing the combination of 200 iron firms in the various cities of England for the purpose of regulating the prices of all classes of iron. In 1897 the details of the combination between the great armament manufacturing firms were announced. Some of the great combinations in England for the control of prices of articles of common use were organized as early as 1890, among them the following: The Salt Union, Limited, with a capital of \$10,000,000; in the same year, the Alkali Com-

pany, combining 43 manufacturing establishments, with a capital of \$30,000,000; the J. & P. Coates Company, thread manufacturers, in 1896, a combination of four businesses with a capital of \$27,000,000; another cotton thread organization, a year later, combining 15 manufacturing establishments with a capital of \$14,000,000; a combination of cotton spinners in 1898, combining 31 establishments with a capital of \$30,000,000; in the same year a combination of the dyeing interests, combining 22 establishments with a capital of \$22,000,000; also in the same year a combination of the Yorkshire Wool Combers, combining 38 establishments with a capital of \$12,000,000; also in 1898 a combination of 60 calico printing establishments with a capital of \$46,000,000; in 1900 a combination of 28 wall paper manufacturers with a capital of \$21,000,000, and in the same year a combination of 46 establishments of cotton and wool dyeing establishments with a capital of \$15,000,000. In the decade 1890-1900 the public announcements of combinations in free-trade England included 328 different business concerns amalgamated into 15 great organizations with a total capital of \$230,000,000, while a very large number of minor organizations and those which were not made public should be added to the list to render it complete. Many great combinations have been organized in free-trade England since 1900, but this history of the decade in which great combinations of capital of this character have been common in all parts of the world where manufacturing capital is plentiful is sufficient to show that such combinations and organizations are not confined to protection countries, but on the contrary flourish with equal vigor in the one free-trade country of the world in which a sufficient amount of capital exists to justify the organization of combinations of this kind.

#### ENGLISH ATTITUDE TOWARD TRUSTS.

The United States Industrial Commission made a thorough investigation of trusts and trust operations in foreign countries as well as in the United States in 1900, sending an expert (Prof. J. W. Jenks, of Cornell University) to the principal European countries and giving the subject much careful attention and study. The report stated that "there is a strong tendency toward the formation of industrial combinations everywhere in Europe," and of the situation in England says: "There were in earlier days very many local combinations to keep up prices, and in some cases these rings have proved very successful. Within the last three years a very active movement toward the concentration of industry into large single corporations, quite after the form that has been common in the United States, may be observed. Nearly all the feeling that one notes in England on this subject has reference to the later corporations formed by the buying up of many different establishments in the same line of business—corporations that through combination have succeeded in acquiring in many particulars a good degree of monopolistic control. \* \* \* Industrial combinations in Europe do not seem to have awakened the hostility in any country that is met with in the United States. In England one finds in the papers a little expression of fear of the newer large corporations. The Government has taken no action whatever regarding them further than to pass, August 8, 1900, an amendment to the Companies Act, which provides for greater publicity regarding the promotion and the annual business of corporations than before. \* \* \* There is, relatively speaking, little objection to combinations in Europe, and in some cases the governments and people seem to believe that they are needed to meet modern industrial conditions. They do believe that they should be carefully supervised by the Government and, if necessary, controlled. \* \* \* The great degree of publicity in the organization of corporations has largely prevented these evils arising from stock watering, and has evidently had much effect in keeping prices steady and reasonable and in keeping wages steady and just. There seems to be no inclination toward the passage of laws that shall attempt to kill the combinations. This is believed to be impossible and unwise. Laws should attempt only to control, and that, apparently, chiefly through publicity, though the governments may be given restrictive power in exceptional cases."



## TRUSTS AND PRICES.

Combinations of the general character loosely designated as "trusts" are in fact the grouping together under one management of several industrial concerns making articles similar in character, primarily for the purpose of reducing expenses of production and sale, and also of securing uniformity in prices of the products of the organizations thus grouped. Unless the organizations so combining include all or at least a large share of those existing in the country in question, it is obviously impossible for them to control prices in that country. They may determine the price at which their own product shall be sold, and insist upon receiving that price or refusing to sell, but they can not control the prices at which others shall sell in competition with them unless the original organization is sufficiently strong to buy in all competitors or to drive them out of existence by selling at prices below the cost of production.

It will be conceded that unless a combination of manufacturers of a given article thus controls the price of a very large proportion of that article produced in the country of operation it can not exact excessive prices because of the competition which would be offered by other producers not within that organization. Let us see what the relation is of the great manufacturing combinations in the United States to the total manufacturing capacity in the line of industry in which they operate. The most marked example of organizations of this kind is, of course, the United States Steel Corporation. Mr. James M. Swank, who has been secretary of the American Iron and Steel Association since long before the trust era, and editor of the Bulletin of the Iron and Steel Association, in a table recently published compares the product of the United States Steel Corporation in 1902 with the product of all other iron and steel manufacturing companies in the United States. These statistics have been gathered with great care; those of production by the Steel Corporation, from its own official statements, and those of other companies from authentic sources. They show that in 1902 the United States Steel Corporation produced 50.8 per cent of the finished rolled iron and steel products manufactured in the United States. The total of all finished rolled products by the United States Steel Corporation in 1902 was 7,086,658 gross tons, and by the independent companies, 6,857,458 gross tons. It is obvious that a company producing only one-half of any given article entering a given market could not maintain excessively high prices against the competition which would be offered by a large number of unorganized individuals whose total product is equal to that of the company attempting to maintain such excessive prices, and each seeking to find a market for its product and willing to sell it at a fair profit, thus insuring constant work for its mills and workmen. It is quite apparent, therefore, that the competition thus offered by uncombined manufacturers operating in their individual capacity, whose aggregate production is equal to that of the corporation, must render impossible the control of the market by that corporation and compel it either to sell its product at a reasonable price or exclude them from the market. For above-mentioned table see index.

## TRUSTS UTTERLY UNABLE TO CONTROL THE MARKETS.

This condition of the impossibility of a control of the markets by combinations of this character applies with even greater force when we take into consideration the relation of the industrial combinations of the country as a whole to the manufacturing industries of the country as a whole. The census of 1900 made an examination into this question and the share which industrial combinations produced in that year of the total manufactures of the country as a whole. Under the term "industrial combinations" it included all those organizations which consisted of "a number of formerly independent mills which had been brought together into one company under a charter obtained for that purpose." This is distinctively the "trust" or "combination" idea—the grouping together under one management a number of establishments manufacturing similar articles with the purpose of reducing cost of production and sale and of securing uniformity in prices of their product. The result of that inquiry, found

on page lxxi, table xxvi, of part one of the Census Report on Manufactures, 1900, showed that all of the manufacturing establishments of the United States which could be included under this designation produced only 14.1 per cent of the aggregate factory product of the United States in that year, and employed but 8.4 per cent of the factory labor of the country. Here, then, is a fair indication of the power of the industrial combination, whether under the term trust or otherwise, to control prices of manufactures in the United States. They produced in the year 1900, the latest year in which accurate statistics are available, but 14.1 per cent of the total manufactures of the country, while 85.9 per cent of the manufactures of the country were produced by men and manufacturing establishments not included in or a part of these industrial combinations. Can anybody suppose for a moment that the producers of only 14.1 per cent of a given article or class of articles would have the power to fix prices and maintain them at an excessive or exorbitant figure against the competition which would be offered by the producers of the other 86 per cent? Not only is it true that the industrial combinations were in this great minority as to power of production but it is also true that in many cases these very organizations were competitors among themselves. It frequently happens that one trust, so called, or combination is a competitor of another trust or combination making the same article, so that in fact the competition was not merely that of 86 per cent of unorganized industry against 14 per cent of organized, but there was also competition between various sections of the 14 per cent included under the general group of industrial combinations. While it is true that there has been a large increase in the number and capitalization of trusts since 1900, the developments of the past year have shown that these apparently rapid developments in the trust creation and control were largely fictitious, and that many of them have not even the power to continue their own existence, to say nothing of the power to control prices.

#### FREE TRADE PROVING DESTRUCTIVE IN ENGLAND.

Even if we assume that all of the industrial combinations, manufacturing 14 per cent of the total manufactures of the country, were cooperating among themselves to maintain and demand high prices, this fact would not justify the destruction of the other 86 per cent of the manufacturing industries of the country as a result of the punishment which the friends of free trade would deal out to the corporations producing this 14 per cent of the manufactures of the country. That free trade would immediately injure and ultimately destroy the great manufacturing interests of the country is illustrated by the cries now coming from free-trade England that her manufacturing industry, which was established under protection before that of the United States began its great development, is now being destroyed by the competition made possible through open doors—free trade. The proposition to bring about the punishment of industrial combinations which are alleged to be maintaining excessively high prices, by the wholesale destruction which would result from free trade in their products, is like a proposition to burn the barn to destroy the rats. Regulation, to prevent a control of the markets and the establishment of excessively high prices, is the logical and proper remedy rather than destruction of the great interests directly involved and the far greater interests of manufacturers not in those combinations, who would equally suffer.

#### JUDGE GROSSCUP ON TRUSTS.

On this subject Judge Peter S. Grosscup, whose vigorous expressions in hostility to combinations which seek to control prices have attracted universal attention both in this country and elsewhere, said in an address at Des Moines, Iowa, on April 27, 1904: "To the great corporations we now go for almost every help in life. The farmer turns up the soil with a corporation-made plow; the rains may mellow the soil, but a corporation drill puts in the seed. The gathered harvest is stored in corporation warehouses, transported over an incorporated



railway, ground into flour by incorporated rollers, and baked into bread in corporation ovens. And they whose mouths feed upon the loaves pay for them, for the most part, out of earnings received from a corporation treasury. As an ally to the farmer corporation enterprise helps to feed us. As an ally to the manufacturer it helps to clothe us. As an ally to the moral agencies of mankind it helps us through the pathway of advancement. Without corporate enterprise this great State would be a hermit in a wilderness of unsettled prairie lands. The great corporation is here to stay. The problem before us is not how to destroy the corporation nor how to hamper it or trip it up, but to make it a helpful servant to the uses of mankind. \* \* \* The first step to this end and the great step is to nationalize the corporation. Five and forty masters now ordain its policies. It should be governed by one master and one policy. The corporation is no longer the sole concern of the State where its books happen to be kept or its directors meet, it has become the concern of the whole country over which its enterprises reach. The day of the New Jersey policy is gone, and the New York policy and the Iowa policy—the day has come for an American corporate policy.”

#### PRESIDENT ROOSEVELT'S OPINION.

On this same subject of regulation as against the Democratic doctrine of destruction of the trusts, President Roosevelt said at Milwaukee, on April 3, 1903: “I think I speak for the great majority of the American people when I say that we are not in the least against wealth as such, whether individual or corporate; that we merely desire to see any abuse of corporate or combined wealth corrected and remedied; that we do not desire the abolition or destruction of big corporations, but, on the contrary, recognize them as being in many cases efficient economic instruments, the results of an inevitable process of economic evolution, and only desire to see them regulated and controlled so far as may be necessary to subserve the public good. We should be false to the historic principles of our Government if we discriminated, by legislation or administration, for or against a man because of either his wealth or his poverty. There is no proper place in our society either for the rich man who uses the power conferred by his riches to enable him to oppress and wrong his neighbors, nor yet for the demagogic agitator who, instead of attacking abuses, as all abuses should be attacked wherever found, attacks men of wealth, as such, whether they be good or bad, attacks corporations whether they do well or ill, and seeks, in a spirit of ignorant rancor, to overthrow the very foundations upon which rest our national well-being.”

Speaking upon this subject in 1902, President Roosevelt said: “The necessary supervision and control, in which I firmly believe as the only method of eliminating the real evils of the trusts, must come through wisely and cautiously framed legislation, which shall aim in the first place to give definite control to some sovereign over the great corporations, and which shall be followed, when once this power has been conferred, by a system giving to the Government the full knowledge, which is the essential for satisfactory action. Then, when this knowledge—one of the essential features of which is publicity—has been gained, what further steps of any kind are necessary can be taken with the confidence born of the possession of power to deal with the subject, and of a thorough knowledge of what should and can be done in the matter. We need additional power, and we need knowledge. \* \* \* Such legislation—whether obtainable now or obtainable only after a constitutional amendment—should provide for a reasonable supervision, the most prominent feature of which at first should be publicity; that is, making public, both to the Government authorities and to the people at large, the essential facts in which the public is concerned.”

Such laws as those suggested by Judge Grosscup and recommended by President Roosevelt would not only prevent the fixing and maintenance of excessive prices, but would prevent such experiences as those of the past year in which the public were induced to make large investments in overcapitalized trusts upon the assumption that all trusts were great money makers; and had

such regulations been in existence during the past two years they would have saved to the public hundreds of millions of dollars invested in stocks of corporations whose shrinkage in value, as estimated by the Wall Street Journal, October 26, 1903, amounted at that time to \$1,753,959,790.

#### **Sales Abroad at Figures Below Home Prices.**

It is doubtless true that occasional sales of American manufactures are made abroad at less than the established and regular prices at home, just as the manufacturer or merchant frequently sells below his regular prices in the home market, for the sake of gaining new customers or of disposing of his surplus products at cost, rather than close down his factories and deprive his workmen of employment. A very careful estimate of the value of American manufactures exported at less than the current prices charged in the home market was made by the Industrial Commission, an official body of the United States Government, composed of members of both parties, having power to call before it witnesses, to administer oaths, to take testimony, and to punish witnesses for refusal to answer such questions as it might choose to put to them. That inquiry extended over a long period of time, and was very far-reaching. Inquiries were sent to a large number of manufacturing establishments in all parts of the country and the replies received came from manufacturers of all classes, including iron and steel, machinery and metal products, typewriters, engines, agricultural implements, vehicles, leather and its manufactures, boots and shoes, manufactures of wood, paper and pulp, textiles and manufactures therefrom, flour, provisions, canned goods, condensed milk, chemicals and drugs, optical goods, manufactures of glass, clay and stone products, and numerous other classes of products. Much attention was given to an examination and discussion of the replies, which were received from hundreds of manufacturers in every part of the country, and the Commission, discussing these replies, says: "A great majority of the answers indicate that prices are no lower abroad than they are for domestic consumers, and a considerable number indicate that foreign prices are higher." This would indicate that but a small percentage of the 400 million dollars' worth of manufactures exported annually is sold at less than domestic prices, and when it is remembered that the gross value of the manufactures of the country in 1900 was 13 billions of dollars it will be seen that the share of that product sold in foreign markets at prices less than those charged at home must be extremely small.

It is urged by the Democratic free traders that because of these sales abroad at prices less than those charged in the home market the tariff on the class of articles so sold abroad should be removed. As these sales are liable to occur in any class of manufactures under the conditions above suggested this remedy would mean the removal of the duty on all classes of manufactures. Would it be worth while to destroy our home manufacturing industry, which employs 5½ million wage-earners and pays to them nearly 3 billion dollars per annum for their services, just because the manufacturers choose to sacrifice their profits on a very small percentage of the value of their products for the sake of keeping labor employed and of increasing their employment of labor through the added markets which they expect to obtain by such sales?

#### **A PRACTICE PREVAILING IN ALL COUNTRIES.**

While the statements obtained by the Industrial Commission indicate that but a small percentage of the manufactures exported are sold at less than domestic prices, other testimony obtained by that Commission, and statements obtained from other sources, show that the custom of selling merchandise abroad at less than home prices is one which exists and always has existed in free-trade England as well as in all other countries attempting to cultivate markets abroad. Mr. C. R. Flint, of the great exporting firm of Flint, Eddy & Co., of New York, in his testimony before the Commission said:

"There are times when there is a surplus, when manufacturers will seek a foreign market at a concession. This is true in all manufacturing countries. It does not apply especially in the United States, but it is true in all countries. It is true in England, where there is free trade."



Being asked if there was any difference in that particular between trust-made goods and goods made independently of trusts, he replied that:

"There was far more of a disposition to make concessions before these combinations, from the fact that individual manufacturers were under more pressure of necessity to realize on their investments. The great industrial combinations, by reason of the great advantage they have in regulating production, avoid excessive production, and therefore are less likely to be under financial pressure."

Mr. John Pitcairn, president of the Pittsburg Plate Glass Co., in his testimony before the Commission, said of plate glass exportations:

"Various manufacturing powers in Europe have combined into one strong international syndicate in order to regulate and divide among themselves the world's markets. Only the United States is left out of this protecting combination. This market (the United States) is therefore a desirable dumping ground for the surplus of European production, and exceptionally low prices are being made by the foreign manufacturers for glass intended for the United States. For example, the present European price for polished plate glass cut to size is, for the United States 40 and 50 per cent discount from a certain price list; for England, 10 per cent discount from the same price list, which means a difference in price of 58 per cent. European discounts for stock sizes of polished plate glass are, for the United States, 30 per cent off the list; for England, 5 per cent off the same lists, which shows a difference of 36 per cent."

On this subject, Prof. W. J. Ashley, former professor of economic history in Harvard University, and now professor of commerce in the University of Birmingham, England, in a work entitled "The Tariff Problem," issued in London in 1904, says:

"This dumping of which we have heard so much is nothing new. It is the ordinary outcome of mercantile ethics—the ethics of industrial war. The policy of selling abroad for a time cheaper than at home was naturally resorted to, when it seemed expedient by English manufacturers in earlier decades, just as it was later by German manufacturers to secure sale in Russia. Indeed, a German economist, writing in 1897, before we in England had begun to complain of being dumped upon ourselves, expressly designates the policy of low foreign prices as 'the German-English system.' \* \* \* It has long been realized by economists that in times of depressed trade, when the market is glutted, it is often expedient to sell goods abroad at 'slaughter prices.' It may be well to dispose of them abroad at any price which will get rid of them, in order to prevent their continuing to press on the home market. \* \* \* From an economic and from a business point of view there is no unfairness in the matter. Exceedingly low prices are made for a certain time and for certain markets simply because this is expected to inure to the best financial result over the whole range of transactions or over a period of years. And it is necessity that drives, in most cases, and not the free will of the exporter. \* \* \* The abolition of the protective tariff on the too-cheaply exported goods is an improbable result. The combinations which are complained of can reply with much reason that their export policy is for the good of the country as a whole. The subject was thoroughly discussed in the German Reichstag in November last; and Dr. Moller, the Prussian Minister of Commerce, summed up the prevalent opinion in official circles. He could not but rejoice to see that the exportation of great quantities of iron, etc., to the United States and to England had alleviated the crisis in Germany. True, this would not suffice to put the whole of the German production into a healthy condition; but if this outlet had not been found, the burden of over-production would have weighed upon the country for years. The motion that the import duties should be lowered on goods produced by syndicates and sold more cheaply to foreigners was thereupon defeated by 166 votes to 68."

#### SECRETARY SHAW'S VIEW.

As bearing upon this subject, the following quotation from a speech delivered by Hon. Leslie M. Shaw, Secretary of the Treasury, at the Auditorium Opera House during the session of the Republican National Convention, is submitted:

"Our opponents lay much stress upon the fact that some American manufactures are sold abroad cheaper than at home. Our friends sometimes deny this, and they sometimes apologize for it, and a few, in times past, have joined our opponents in recommending a removal of the tariff from all such articles. It is useless to deny, and, in my judgment, unwise to apologize and little short of foolishness to attempt to remedy the assumed evil in the manner proposed by the opposition.

"A nonpartisan commission appointed by Congress to investigate the subject, with authority to compel the attendance of witnesses, made a careful and detailed report. Basing his computations upon the facts set forth in that report, Senator Gallinger, of New Hampshire, in a speech made in the United States Senate on

April 23rd, last, placed the value of exports sold at a lower price abroad than at home at \$4,000,000. I cannot find that the substantial correctness of this estimate was ever questioned by the opposition. But in any event the amount is so small as compared with the aggregate output of our factories as to be unworthy of consideration. The report of the Industrial Commission shows that some of these articles are protected in this country by patents, and are not so protected in the foreign market. If the supposed evil as applied to patented articles is worthy of drastic remedial measures, the most feasible would be the repeal of our patent laws.

"There is one other important feature not often recognized. The Republican party has always provided a method whereby a manufacturer can have the benefit of free raw material for the production of merchandise actually exported. Under regulations prepared by the Secretary of the Treasury, the consumer of imported material is allowed to recover back the duty paid thereon whenever he exports the same or any article manufactured therefrom. During the fiscal year 1903, the amount of drawbacks thus actually paid exceeded \$5,000,000. A portion of this was upon goods exported direct from warehouses and upon which no labor had been expended. But if Senator Gallinger's estimate, based upon the data furnished by the Industrial Commission, be correct, that only \$4,000,000 worth of merchandise is annually sold abroad cheaper than at home, then the annual drawback on imported material would seem to remove any presumption that an injustice is being perpetrated upon the American consumer. A very small portion of the \$5,000,000 drawback would cover the difference between the price at which this merchandise is sold abroad, and the domestic price.

"The United States Census reports our aggregate manufactures of 1900 at \$13,000,000,000. It is doubtless somewhat larger now. \$4,000,000, the amount estimated to be sold abroad cheaper than at home, is therefore only one-thirtieth of one per cent of the aggregate. In other words, out of every one thousand dollars' worth of manufactures produced by American labor, something like thirty cents' worth is sold abroad cheaper than to our own people; or, stated in yet another form, every time our shops and factories pay five hundred dollars to labor, and therewith produce one thousand dollars' worth of goods, they sell thirty cents' worth abroad for twenty-nine cents.

"Whether this practice is defensible or not, foreign producers very generally and almost universally do the same thing. Nearly every class of goods imported into this country is obtainable for export to this country below the regular foreign market. And this is as true in free trade England as in protection France or Germany. Our tariff law provides that imported merchandise shall be appraised at its regular market value at the place whence it is imported and at the time of importation, and a penalty is provided for undervaluation. To avoid this penalty the importer adds to the invoice what he admits to be the difference between the regular foreign market value and the price actually paid. During the eleven months of the present fiscal year over 6,000 invoices entered at the one port of New York have been thus advanced by the importer to make market value, and the aggregate of the advancements thus made upon these invoices exceeds \$1,200,000. During the fiscal year 1903, \$32,000,000 worth of merchandise was imported at New York admittedly below the foreign market value, and the importer voluntarily added \$1,500,000 to the invoice to make market value as the confessed difference between the price actually paid and the regular foreign market value; and Treasury officials added thereto an additional \$400,000 and imposed and collected a penalty of \$400,000. The goods thus sold by the foreign producer cheaper for exportation to the United States than for home consumption include woolen goods, cotton goods, silk goods, and linen goods of all kinds; umbrellas, ribbons, trimmings, velvets, hosiery, rugs, furs, cutlery, glassware, jewelry, furniture, saddlery, guns, wool, hides, chemicals, machinery, iron and steel products generally, and groceries. In fact, they include about everything and from all countries.

"So universal is the practice of selling goods for export to the United States cheaper than for domestic consumption that a very large and influential association of importers have sought for years to have our tariff laws amended so as to authorize the assessment of ad valorem duties on the foreign market value for exportation to the United States instead of as now upon the regular foreign value at the place whence the goods are imported. This association of importers thus recognize and confess the fact that there are two foreign market values of merchandise, one the market value for domestic consumption and the other the market value for export to the United States. They also recognize and confess that a change of the law permitting the assessment of ad valorem duties on the market value for export to the United States would be as advantageous to them as a reduction in the rate of duty.

"It is a well known fact that sugar which sells in the United States, duty paid, at five cents per pound retail, is worth in the country of production, seven and one-half cents per pound wholesale. The very men who grow the beets from which this sugar is made, pay ten cents per pound retail for the same sugar which we get at five cents per pound, and the foreign beet grower is statesman enough to approve the policy. He is willing to pay a higher price for the small amount of sugar which he consumes, on condition that the product of his field shall supply the American table. Speaking for myself alone, I am willing to pay any reasonable price for the small amount of barbed wire which I consume, pro-



vided the wheat from my field, the dairy products from my herd, and the meat from my stall, shall feed the men who mine the coal and iron, and the artisans who produce the wire to fence the farms of other countries."

#### Exports from England at Less Than Domestic Prices.

That the manufacturers and exporters of free-trade England sell their goods in foreign countries at less than the prices charged in the home market is shown by the following extracts from official reports to the Department of State of a United States Consul in England. The correspondence in question occurred in 1890 and 1891, and while not intended as a discussion of the question of exports at less than domestic prices, tells incidentally some important facts bearing upon certain questions now at issue. The statements, which are those of the United States Consul at Birmingham, England, show habitual and continuous exports to the United States at less than the prices charged for the same article in the domestic markets of England. This is important in its bearing upon the claim that exports at less than domestic prices are made possible through the existence of a protective tariff, and also in its relation to the claim which has always been made by protectionists that at least a part of the protective tariff duty is paid by the foreign manufacturer or exporter to the country in question.

The statements which follow are extracts from a series of reports in 1890 and 1891 to the State Department by Hon. John Jarrett, consul of the United States at Birmingham, England. These reports are the results of some investigations made by Mr. Jarrett with the purpose of determining whether the statements made to him as to the prices at which certain goods were being exported to the United States were or were not accurate and had as their purpose the determination of the question as to whether the goods were being undervalued. This fact will account for the fragmentary character of the statements, since they were made in a discussion of a subject different from that now under consideration. The facts developed, however, that the goods were being sold at less than the prices charged in the home market, are pertinent to the present issue.

In a communication to the State Department dated April 15, 1891, Mr. Jarrett says:

"It is extremely difficult to get at the actual selling prices of cycles, as there are no wholesale price lists in general use, nor are there any market quotations or prices current to be found in use in or by the trade. The retail price lists are in general use, and prices are made according to quantities sold, and the standing of the buyers, by discounts on the retail price. These discounts range in the foreign trade from 30 to 60 per cent, and in the home trade from 20 to 40 per cent. To very large customers, especially American customers, the manufacturers furnish special prices. \* \* \* I desire also again to call your attention to the difference in discounts allowed in the home and foreign trade. In a dispatch of September 19, 1890, I enclosed you a letter from Singer & Company which clearly stated that the higher discounts allowed in the foreign trade were made necessary by the tariffs of foreign countries. I was informed up to the date of that dispatch that the discount allowed in the American trade was the same as that to the trade of all foreign countries, and now discover that in cycles there is a higher discount of ten per cent allowed in the United States trade than that of other countries, AND THAT THIS IS BECAUSE OUR TARIFF ON CYCLES IS HIGHER THAN THAT OF OTHER COUNTRIES."

In a communication to the State Department dated September 16, 1890, Mr. Jarrett also says:

"I desire briefly to call your attention to another singular fact. The prices charged in the export trade, are, as a rule, in nearly all trades, less than the prices charged in the domestic trade. I enclose you a letter I have received from Singer & Company, of Coventry, which, you will observe, is marked 'confidential.' It is altogether impossible to get reliable information of this character in any other way. Singer & Co. are large manufacturers of cycles, etc., and have a house in Boston to which they make consignments of their manufactures. I have letters from other cycle manufacturers who also cite the fact that their discounts in the foreign trade are higher than those in the domestic trade."

The letters referred to by Mr. Jarrett in which the manufacturing company states that its export rates are less than those charged in the domestic market are as follows:



“(Confidential.)

CONTRACTORS TO THE BRITISH GOVERNMENT.

SINGER & CO.,

Cycle Manufacturers,

London 17 Holborn Viaduct.

August 15, 1890.

Dear Sir: In reply to your inquiry of the 13th inst., we beg to say that we do not now issue any trade list, but we charge our agents special account prices which vary according to the number of machines purchased. These prices represent discounts varying from 25 per cent to 45 per cent, the latter being export discount only. Export discounts are larger than those we allow at home, as in nearly every country in Europe there is a considerable duty on cycles and we have to help our agents in this way.

We believe our Mr. Stringer explained this to you personally on his last visit to the consulate.

Yours faithfully,

SINGER & CO.

JOHN JARRETT, ESQ.,

United State Consulate,  
Birmingham.”

“(Memorandum from Starley Brothers, Coventry.)

[ENCLOSURE 3.]

JOHN JARRETT, ESQ.,

United States Consul,  
Birmingham.

March 20th, 1891.

Dear Sir: We have much pleasure in enclosing two copies of our price list as requested by your letter of the 18th inst. The lists are printed for distribution by our agents and others, among private individuals, and are subject to discounts ranging from 60 per cent downwards, but to large buyers our prices are quoted net and are the subject of special arrangement. We would direct your attention to the fact that these lists are prepared for the English trade. Our American trade is done through one firm only, and as a considerable portion of our whole trade is done through this firm, and the machines are different from the English machines, our prices are low and the subject of a special arrangement every year.

Yours faithfully,

STARLEY BROTHERS,  
fr. C. Bradham.”

DEMOCRATIC PRESS ADMITS MATTER UNIMPORTANT.

The New York Evening Post, in its issue of July 21, 1904, discussing the English proposition to protect the home manufacturer against “dumping” by a protective tariff, says editorially:

In earlier days it went by the fairer name of “inundation,” or the “threatened flooding” of the markets of a new country by the unscrupulous producers of the Old World. Defined with precision, it means simply the sale of goods in a foreign market either at an absolute loss, or at a markedly lower figure than is obtained in the home market of the dumping manufacturer. Now this so-called dumping process may take two forms. It may be done at an initial loss, in order to advertise wares, or possibly to drive out small competitors; or it may be practiced in order to clear the home market of a surplus and thus maintain monopoly prices in the home market. It is not necessary to go abroad to find the first kind of dumping. Every grocer who sells sugar below cost, in order to make custom for his other wares, is a dumper. Where this practice in England is resorted to once by a foreign producer, it is practiced by Englishman against Englishman a hundred times. Moreover, it involves a certain initial loss, and a doubtful future gain. No tariff can protect against it, nor has the success of this kind of underbidding proved so frequent as to warrant any attempt to prohibit it by law, even if such an attempt were likely to succeed.

The New York Journal of Commerce, Democratic, a leading financial and commercial publication, discussing the same subject, says in its issue of July 22, 1904:

“However it may be in Germany, there is not here any organized system” for regulating that trade and “dumping” a surplus “irrespective of cost.” This “dumping” is the chief bugbear of the British tariff reformers, but it cannot be carried on on any considerable scale or for any length of time to the advantage of the “dumping” country. Exporting at a loss, to be made up by high cost to domestic consumers, cannot be a lasting policy, for it is a losing one for the country that indulges in it; and while it may at times cause disturbance in a single industry in the country where the surplus is sacrificed, it cannot permanently injure that country’s trade.

THE CUSTOM A COMMON ONE WITH EUROPEAN MANUFACTURERS.

Hon. Richard Guenther, United States Consul-General at Frankfort-on-the-Main, Germany, in a report to the State Department in June, 1904, says: “The manager of the carbon works of the General Lighting Company writes to the Daily Mail in reference to the proposal of a German firm to establish in England large works for the manufacture of carbons for electric arc lamps. That the English factory at Witton, near Birmingham, has for the

last two years turned out carbons for the government, municipalities, and other users of a quality and at prices which compete with German manufacturers. The amount of 'dumping' with a view to killing the carbon industry in this country would, he adds, astonish the most inveterate free importer. Foreign manufacturers sell at something like 40 per cent cheaper than in their own country."

#### **Sales of Steel Rails Abroad at Less Than Home Prices.**

Much complaint has been made by the Democrats of the fact that in certain instances steel rails have been sold in foreign markets, especially in Mexico and Canada, at \$22 per ton, against a uniform price of \$28 per ton charged in the United States by the steel rail manufacturers of the country. Curiously this complaint has come from the Democratic politicians and not from the railroads, the sole purchasers of steel rails. This fact, that the railroads are making no complaint, justifies a careful examination of the question as to whether they are being required to pay excessive prices at home, or whether, on the other hand, the sales abroad are being made at cost or below cost for purposes satisfactory to the manufacturers who are making those sales.

The question of whether prices demanded by agreement among steel manufacturers in the United States are excessive, might be answered by an elaborate analysis of the cost of producing steel rails and the percentage of profit which manufacturers ought to make on their products; but this elaborate and complicated method of determining the question of whether the manufacturers are obtaining excessive profits is not necessary. There is a much more simple and practical method of determining it. No class of business men in the United States are more acute, more thoroughly posted on the cost of producing the materials which they must constantly buy than the railway managers of the country, and no class of men are better able to command the necessary money with which to establish factories for the manufacture of those materials in case they felt it to be to their advantage to manufacture for themselves instead of buying them at the prices demanded by the present manufacturers. It will be conceded by everybody that the railway managers of the United States number among their ranks the most acute and able business men and financiers of the country. They, of all men in the United States, would be most likely to know whether they were being imposed upon in the prices demanded of them by manufacturers of the article for which they pay such enormous sums of money every year. The railroads pay to steel rail manufacturers fully 75 million dollars a year for steel rails, and they, with their keen instinct and unlimited facilities, can easily know, and certainly do know whether the prices charged are excessive. What would be easier than for them to establish steel rail works of their own, and what would they be more certain to do than this if they were being charged excessive prices? They can command unlimited capital. There is no class of business men in the United States who could more readily raise a million, ten millions, a hundred million dollars, or even a greater sum with which to establish steel rail manufacturing plants to supply themselves with this material for which they are now paying to the manufacturers 75 million dollars a year. What would be more natural than that they should establish steel-rail plants if they felt that they were being imposed upon in the prices now charged? The very fact that these trained and acute business men, with their knowledge of the cost of the article for which they are paying such large sums of money, and with their facilities for obtaining unlimited capital with which to establish works of their own, do not establish such works, but go on quietly and uncomplainingly paying for steel rails this price of \$28 per ton to the manufacturers of the country is sufficient evidence that they do not consider the prices charged them excessive, and that those prices are not excessive.

Another fact worthy of note in this connection is that the steel-rail manufacturers made no advance in prices during the period of great demand and general high prices for iron and steel, from 1900 to 1903, though prices of all other grades of iron and steel greatly advanced meantime.



## REASONS FOR FOREIGN CUT.

This brings us to the question of, or reasons for, the sales abroad at prices less than those charged at home. These reasons are easily found. First, the American manufacturers who desire to sell their rails in Mexico, for example, must do so in direct and full competition with the steel rail manufacturers of Europe. The cheaper labor of European countries enables the manufacturers there to produce rails at a much lower cost than they can be made here, and the fact that foreign rails can be transported most of the distance by water, while those from our own great manufacturing establishments must be transported to Mexico a large part of the distance at least by land, places European manufacturers at least on equal footing with those of the United States in the Mexican markets. And it is also well known that the manufacturers of European countries make their foreign prices below those which they charge in the home markets for the purpose of building up markets in those countries. This plan of operation on the part of European manufacturers in placing their rails in Mexico brings to the lowest point the prices with which American steel rails must compete in that market. If therefore the steel rail manufacturers of the United States desire to establish a market in Mexico they must put their prices at a point at which they can compete with the rates named by other countries, else they will make no sales and establish no market, but will abandon to European manufacturers a market in a country just alongside of the United States. In addition to this, steel works are being established in Mexico, where rates of wages are extremely low and the prices at which rails will be turned out when this industry is further developed will be very low, hence the importance of retaining control of that market even at low rates of profit. Thus the steel-rail manufacturers of the United States, if they desire to sell their products in Mexico at all, must do so at a price which will compete with European manufactures and Mexican manufacturers and with the cheap labor of both countries.

Still another condition with which American manufacturers must compete in Canada is the fact that the Canadian government is now paying a bounty to the steel manufacturers of that country, and this supplies another form of competition which the American manufacturer must meet if he attempts to sell his steel rails in Canada.

Thus the American steel-rail manufacturer, if he desires to establish a market for his product in Mexico, must compete with the cheap labor of Europe and the still cheaper labor of Mexico; and if he desires to sell his product in Canada he must compete with the cheap labor of Europe, plus the bounty paid to domestic manufacturers by the Canadian government. Unless he does make his prices to meet those conditions in the two countries lying alongside of the United States he must abandon the hope of ever establishing in those countries a market for any of his products. Under these conditions it is not surprising that he should find it good business policy to temporarily relinquish his profits for the sake of establishing or holding markets in countries at his very door, and also that he should at times dispose of his surplus stock in those markets at cost or even less, for the sake of keeping his works running and his workmen employed, rather than to reduce his working force and permit his machinery to deteriorate by so reducing his product as to make it only equal to the home demand.

To put it in a single sentence: It is apparent, first, that the prices charged in the home markets are not excessive, else the railroads would establish their own works for the manufacture of rails; and, second, that if American manufacturers are to sell their rails abroad they must put them at a price at which they can meet European competition and cheap labor competition in Mexico, and at which they can also meet European competition, plus domestic bounties in Canada.

In general terms it may be said that the sales abroad of steel rails and of other classes of iron and steel at less than domestic prices are exceptional and only made under exceptional conditions, either for the purpose of gaining new trade, just as is done thousands of times every year in many lines of trade at home,



or for the purpose of disposing of surplus stock and thus keeping mills running at full rates and giving full employment to labor and the low prices of product which full working capacity renders possible.

On this subject Mr. James M. Swank, general manager of the American Iron and Steel Association, a high authority, the accuracy of whose statements is never called in question, in a letter to Hon. John Dalzell in February, 1902, made the following statement:

"With regard to the prices at which our iron and steel products have been sold abroad it can be said with entire frankness that, while there have been some sales made at lower prices than have been charged to domestic consumers, the large majority of the sales have been made at the same prices as have been obtained at home or at even higher prices. When lower prices have been charged the inducement to do this has been to dispose of a surplus, as during the years of depression following the panic of 1893 or during the reactionary year 1900, or to secure entrance into a desirable foreign market, or to retain a foothold in a foreign market that has already yielded profitable returns. These reasons for the occasional cutting of prices require no defense. They are akin to the reasons which daily govern sales of manufactured and all other products in domestic markets.

"Even in years of prosperity it sometimes happens that a rolling mill or steel works, when running to its full capacity, produces a surplus of its products beyond the immediate wants of its customers or of the general market. If this surplus can be sold abroad, even at prices below current quotations, it is better to do this than to reduce production by stopping the rolling mill or steel works for a few days or even for one day. The men would not only lose their wages during the stoppage but the manufacturers would lose in many ways. As one incident of the stoppage the home consumers of their products could not be supplied so cheaply as when the plants are running full. A moment's reflection will convince any candid man that the manufacturing establishment that is not kept constantly employed, whether it produces iron and steel, or cotton goods, or woollen goods, or pottery, or glassware, or any other articles, can not be operated so economically for its owners or so beneficially for its customers as the establishment that is kept running six days in the week and every week in the year.

"It should also be remembered that our tariff legislation for at least a generation has encouraged our manufacturers to seek foreign markets by remitting nearly all of the duties levied on imported raw materials when these raw materials enter into the manufacture of exported finished products. Under the operation of this drawback system our iron and steel manufacturers have been able to manufacture their products intended for foreign markets at a much lower cost than they could supply similar products to home consumers. The London Engineering for January 17, this year, says of this drawback system: 'A certain amount of trade is brought into the country that would otherwise be missed and no one loses anything.' It might have added that the raw materials we import and subsequently export in the form of finished products furnish employment to thousands of American workmen."

#### **Effect of Protection on Export Trade.**

One of the assertions made and offered as an argument against protection is that high tariffs established by a country lead other countries to discriminate against the products of that protection country and exclude them from their markets, either by adverse legislation or otherwise. Let us see about this. "The proof of the pudding is in the eating." The proof of the effect of protective tariffs upon the export trade of the countries having such protection is found in the measure of the actual growth of their exports as compared with the growth of countries not having a protective tariff and offering in the world's markets the same class of goods as those offered by the protection country. The United States Bureau of Statistics has recently published a Statistical Abstract of the World, which gives the exports of domestic products by each of the principal countries of the world during a long term of years. It is easy, then, to compare the growth in exports by the countries having a protective tariff with that of the single remaining nonprotected country—the United Kingdom. The two most strongly marked examples of protective tariff countries are Germany and the United States, and the chief free-trade country of the world is the United Kingdom. These three countries are also especially suitable for contrast in the effects of their respective tariff policies upon their export trade by reason of the fact that they are the chief competitors for the great markets of the world and the only countries of the world whose annual exports reach or pass the billion dollar line, each of these countries exporting annually more than one billion dollars' worth of merchandise, while no other country of the world

has ever exported so much as one billion dollars' value of domestic products in a single year. Let us see, then, what the effect of protection has been upon sales abroad by the United States and Germany, the world's most conspicuous examples of protective-tariff countries, as compared with the effect of free trade upon exports from the United Kingdom, the world's most marked example of low-tariff countries. The Statistical Abstract, above referred to, compiled from the official figures of the countries in question and issued by the Bureau of Statistics, shows that the exports of domestic products from free-trade United Kingdom grew from 1,085 million dollars in 1880 to 1,380 millions in 1902, an increase of 28 per cent; while those from protection Germany grew from 688 millions in 1880 to 1,113 millions in 1902, an increase of 62 per cent; and those from protection United States grew from 824 millions in 1880 to 1,355 millions in 1902, an increase of 64 per cent. In other words, exports from the world's greatest example of free trade—the United Kingdom—increased 28 per cent in 22 years; those from protection Germany increased 62 per cent, and those from protection United States increased 64 per cent in the same period. This certainly does not justify the assertion that other countries discriminate against and reject the merchandise of the country having protective tariff laws and favor that of countries having free trade.

While of course the general law of supply and demand influences in a greater or less degree the volume of exports from year to year, the experiences above cited are sufficient to clearly indicate that the existence of a protective duty on imports does not result in an exclusion of our exports by other countries, since our exports have increased enormously during the operation of protective tariff laws.

#### EXPORTS UNDER THE UNITED STATES TARIFF.

Another and even more striking illustration of the growth of exports under low tariff and protection, respectively, is found in a study of the detailed history of the tariffs and export trade of the United States. The only protective tariffs which the United States had prior to 1861 operated during the years 1813-16, 1825-33, and 1843-46, an aggregate of 17 years prior to 1861. Since that time protective tariffs have covered the years 1861-94 and 1897-1903, making the total of the period covered by protective tariffs 58 years, against 57 years of low tariff, counting the formative period from 1790 to 1812 as low tariff. Thus the history of the United States under the Constitution is about evenly divided between protective tariff and low tariff. Now, let us see the result in its effect upon our exports during those two great periods of protection and low tariff—58 years of protection and 57 years of low tariff. During the 57 years of low tariff the *imports* exceeded the exports by \$514,954,931; during the 58 years of protective tariffs the *exports* exceeded the imports by \$4,099,026,861. These statements are compiled from official reports of the United States Bureau of Statistics, and their accuracy can not be called into question. During 57 years of low tariffs *imports* exceeded exports by 514 million dollars; during 58 years of protection *exports* exceeded imports by 4,099 millions. Does this look as though protective tariffs had the effect of reducing or destroying the export trade?

To sum up these official statements of exportation under low tariffs and protective tariffs—the statements being in every case from the official records of the country in question—it may be said that exports from the United Kingdom under free trade increased 28 per cent from 1880 to 1902; while those from Germany and the United States, under protection, increased 62 per cent and 64 per cent, respectively, in the same period, and that in the history of the United States, under the present form of government, 57 years of free trade gave an excess of *imports* over exports amounting to 514 million dollars, and 58 years of protection gave an excess of *exports* over imports amounting to 4,099 million dollars. This is the practical test, the “proof of the pudding in the eating,” and should put an end forever to the assertion that protection destroys or injures the foreign markets of the country adopting it. Of the 57 years of low tariff, 47 show an



excess of *imports* over exports, while of the 58 years of protective tariff, 33 show an excess of exports over imports. A table printed on page 62, compiled from the official reports of the Treasury Department and the Department of Commerce and Labor, shows the years in which low and protective tariffs, respectively, were in operation, and the excess of imports or exports in each year, also the total excess of exports under low and protective tariffs, respectively.

### **Is There Danger of European Combinations Against the United States on Account of Our Tariff?**

Statements have been made from time to time that European countries were likely, by reason of the high protective tariff in the United States, to enter into an agreement for the exclusion of our products from their markets. This assertion has been made over and over again for years, but more especially in comparatively recent years. But such action seems highly improbable, for the following reasons: 1. The countries in which these threats of retaliation are most frequently heard are themselves, in all cases except the United Kingdom, protective-tariff countries, and it is unlikely that they would seriously and through official action complain of a protective tariff established in any other country. 2. The European countries can not afford to exclude our staple products, which are required in such large quantities by their people and which would advance in price in their markets if the supply from the world's largest producer were cut off. 3. The exclusion of these necessary products from the United States would necessitate their importation from other countries, and by reducing the supplies in these other countries would make markets for our products in those countries drawn upon or in other countries from which they had been accustomed to draw their supplies. 4. Experiments of this kind for the exclusion of our meats from certain European countries have not resulted in a reduction of our total exports of meats and other provisions. 5. The countries which have complained most bitterly of the tariff of the United States have steadily and rapidly increased their importations of our products meantime. 6. During the very period in which the talk of exclusion from European countries of American manufactures have been made, our exports of manufactures to those countries have most rapidly increased.

As to the first proposition, it is from the European countries that the threats of retaliation against the protective-tariff laws of the United States are most frequently heard. Yet all of the leading countries of Europe, with the exception of the United Kingdom, have within comparatively recent years adopted protective-tariff systems and in most cases are now increasing or proposing to increase their rates of duty for the avowed purpose of making their tariffs more thoroughly protective. In the case of the United Kingdom, the only European country of importance not having a protective tariff, the adoption of a protective system is being strongly urged. It seems highly improbable that a country officially adopting a tariff system with the explicit purpose of protecting its own industries would complain of like action on the part of any other country, even if the rates which that country imposes were higher than those which it imposes.

### **RETALIATION A BOOMERANG.**

The European countries in question are large consumers of the great products of the United States—cotton, wheat, corn, meats, and other forms of provisions—as well as of manufactures. The United States is the world's largest producer of every one of these articles. She produces three-fourths of the cotton of the world; three-fourths of its corn; three-fifths of the wheat entering the European markets from extra-European countries; and two-fifths of the meats which enter into international commerce. The European countries, with possibly one or two exceptions, do not produce a sufficient supply of these articles for their respective home markets. They must buy them in large quantities from some other part of the world. One important effect of excluding from their markets the products of the world's principal source of these various articles must be to increase in their home markets the prices of those articles. If through concerted action by these countries three-fourths of the world's supply of cotton (pro-



duced in the United States) were excluded from their markets naturally the price for the remaining one-fourth of the world's cotton, wherever produced, would advance greatly, and this principle would apply in the exclusion of any of the great products of which the United States exports a sufficiently large percentage to make absence of its product a factor in determining prices. Imagine the effect upon the price of wheat if three-fifths of the extra-European supply for European markets were destroyed in a single hour or day. Imagine the effect upon prices of meats if 40 per cent of the world's available supply for the international trade were wiped out of existence. Note the effect upon the price of cotton due to a small shortage in the crop of the United States last year, and consider what would be the effect if all of the cotton supply of the United States—three-fourths of that which the world produces—were shut out of the markets demanding that cotton.

Even if certain countries were to exclude the great products of the United States from their markets they would be compelled to draw their supply from some other country or countries, and the products of the United States would find her markets in those countries thus drawn upon or in the countries to which they had formerly furnished their surplus. The world's production of the requirements of man—cotton, corn, wheat, provisions—is no more than the quantity required by the various parts of the world which are now brought into such close commercial relationship by reason of cheap transportation, and if through the exclusion of our products from certain countries the products of other countries were drawn upon to supply those markets our products would in turn find a sale in the other parts of the world thus affected by that change in supply. These great requirements of man for food and clothing, demanded as they are in every part of the world, and easily transported to any given spot, like water, seek their level, and the exclusion of our products from one country or group of countries would simply result in their finding markets in the spot from which those consuming countries might draw their supply.

#### RESULTS OF EXPERIMENTS IN RETALIATION.

Certain experiments in the exclusion or attempt to exclude American products have been made in European countries during the past twenty years, and the effect of those experiments upon our sales of the articles in question is worth noting. Beginning about twenty years ago certain of the European countries began the exclusion of certain classes of meats from the United States, charging that they were dangerous to public health by reason of the presence of trachinæ in hogs, Texas fever and other diseases in cattle, and upon other but somewhat similar grounds. These rulings or legislation against American meats extended from country to country upon various pretexts during a series of years down to a very recent date, proving in each case more or less a barrier against the meat products of the United States. They resulted in some cases in more stringent export regulations by the United States, and in some cases in a modification of the legislation or regulations in the country of importation, and the net result has been a steady growth in the exportation of provisions from the United States during the very period in question. The total value of provisions and animals for food exported from the United States in 1880, the approximate date at which this adverse movement against provisions from the United States began, was 130 million dollars, and 235 millions in 1902, a growth of more than 100 million dollars in exports of provisions and live animals for food purposes during the very period in question, and a very large proportion of this growth was in exports of those articles to European countries.

Another evidence of the indisposition of other countries to attempt to exclude the required products of the United States from their markets is found in the fact that although a dozen of the great countries of the world simultaneously protested against the Dingley tariff act, no one of those countries excluded any of the products of the United States following the enactment of that law or even reduced by a single dollar the value of their purchases from this country. These protests, while not a joint action, and while relating in some cases to different features of

the act from those complained of by other protesting countries, were practically simultaneous, and as the passage of the act without recognition of their protest was a simultaneous rejection by the United States of those protests, the occurrence offered to them a special and unique opportunity for combined action in excluding our products from their markets. Yet not a single one of those countries took such action, and in no case did they reduce their purchases from the United States. On the contrary, our exports to every one of the 12 countries have increased. Our exports to the 12 countries which protested against the act in question were in 1896 \$618,688,000, and in 1903 \$925,447,000, an increase of 50 per cent as compared with 1896, the year prior to that in which these protests were made. (See table of countries protesting against Dingley law, and exports to them, page 30.)

Even in manufactures, of which the European countries are large producers, and against which they have most vigorously protested, our exports to those countries have steadily grown during the years in which threats of exclusion have been most frequently made. Expressions of hostility to manufactures from the United States and threats of legislation or rulings to bring about their exclusion have been most strongly marked during the short period since 1895. Yet in that period exports of manufactures from the United States to Europe, the very section of the world from which these threats of exclusion came, have doubled, our total manufactures exported to Europe in 1896 being \$96,961,020, and in 1902, \$197,572,992, while those of the fiscal year 1904 exceed 200 million dollars.

Besides, the complete power of the United States to protect itself against retaliation must not be overlooked. The only countries from which there could be any possibility of danger are the leading industrial and commercial nations of Europe. Their policy is protective, so is ours. But if they are compelled to buy largely of our products from necessity, we buy largely of theirs from choice. We are among their best customers. Our imports in 1903 were from Germany, \$119,772,511; from France, \$77,285,239; from Austria-Hungary, \$10,569,929; from Belgium, \$22,567,337; from Italy, \$36,246,412; from the Netherlands, \$22,868,978. What they buy of us are necessities; what we buy of them are chiefly luxuries. If they were to proscribe our products we could more easily proscribe theirs. So long as we maintain the protective policy we can defend ourselves; the more we advance towards free trade the fewer weapons of defense we hold.

Thus, both the logic of the situation and our actual experience with adverse legislation and threats of such legislation fail to justify the assertion that our products of any class are being excluded or are likely to be excluded from the markets of other countries by reason of our protective tariff.

#### TRADE OF THE UNITED STATES WITH COUNTRIES PROTESTING AGAINST THE DINGLEY TARIFF ACT.

The table which follows shows the trade of the United States with each of the 12 countries which protested against the Dingley tariff act during its pendency in Congress in 1897. The figures cover the period from 1896, the year prior to the enactment of that law, to and including the fiscal year 1903. It will be seen that the exports to each of the countries have increased. This record is deemed important in its bearing upon the claim that other countries are likely to reduce their imports from the United States by reason of the protective tariff. In this case, 12 leading commercial countries of the world had almost simultaneously protested against certain features of this act, not all of them against any single feature, but each of them had made a protest; yet the act was passed in the original form without modification so far as related to the features referred to in the protests, and instead of a reduction in exports to those countries there has been a steady increase in all cases, and the total exportation from the United States in 1903 to the 12 countries in question was \$953,585,567, as against \$618,687,429 in 1896, having thus increased \$335,898,138, or 54 per cent, over the exports to those countries in 1896.



*Exports from the United States to the countries which protested against the Dingley tariff bill, showing increase in exports after enactment of the law.*

Countries.	Year ending June 30—			
	1896.	1897.	1898.	1899.
United Kingdom.....	\$405,741,339	\$483,270,398	\$540,940,605	\$511,778,705
Germany.....	97,897,197	125,246,088	155,039,927	155,772,179
Netherlands.....	39,022,899	51,045,011	64,274,524	79,305,998
Belgium.....	27,070,625	33,071,555	47,619,201	44,158,033
Italy.....	19,143,606	21,502,423	23,290,858	25,034,940
Japan.....	7,689,685	13,255,478	20,385,041	17,264,688
Denmark.....	6,557,448	10,194,857	12,697,421	16,605,828
China.....	6,921,933	11,924,933	9,992,894	14,493,440
Argentina.....	5,979,046	6,384,984	6,429,070	9,563,510
Austria-Hungary.....	2,439,651	4,023,011	5,697,912	7,378,935
Greece.....	191,046	110,763	127,559	213,507
Switzerland.....	32,954	70,871	263,970	267,732
Total to countries.....	618,687,429	760,099,827	886,159,527	881,837,495

Countries.	Year ending June 30—			
	1900.	1901.	1902.	1903.
United Kingdom.....	\$533,819,545	\$631,177,157	\$548,548,477	\$524,262,656
Germany.....	187,347,889	191,780,427	173,148,280	193,841,636
Netherlands.....	89,386,676	84,356,318	75,123,135	78,245,419
Belgium.....	48,307,011	49,389,259	46,271,756	47,087,939
Italy.....	33,256,620	34,473,189	31,388,135	35,032,680
Japan.....	29,087,475	19,000,640	21,485,883	20,933,692
Denmark.....	18,487,991	16,175,235	15,464,622	16,157,583
China.....	15,259,167	10,405,834	24,722,906	18,898,163
Argentina.....	11,558,237	11,537,668	9,801,804	11,437,570
Austria-Hungary.....	7,046,819	7,222,650	6,167,127	7,156,688
Greece.....	290,709	291,538	305,950	330,844
Switzerland.....	250,447	255,360	217,515	205,697
Total to countries.....	974,098,616	1,056,065,279	942,645,590	953,585,567

#### Protective Tariff as a Revenue Producer.

In the matter of revenue the contrast between low and protective tariffs is equally striking. In the *57 years* of low tariff no less than 22 of the total showed an excess of expenditures over receipts by the Government; while in the *58 years* of protective tariffs 44 of the total showed an excess of receipts over expenditures. Of the 14 years under protective tariffs in which the expenditures exceeded the revenues no less than nine were war periods, when, necessarily, expenditures exceeded receipts from ordinary sources, while in only two of the years in which deficits occurred under low tariffs could that deficiency be charged to war conditions. The war of 1812-14, the civil war, and the war with Spain all occurred during protective-tariff periods; while the war with Mexico occurred during a low-tariff period. Excluding the war periods from consideration, it may be said that *of the 55 years of peace, during which low tariffs were in operation, 20 years showed a deficit; while of the 49 years of peace, during which protective tariffs were in operation, only five showed a deficit.*

Considering the entire history of the country, under the Constitution, but excluding the war years, it may be said that the revenues of the Government during low tariff periods fell \$33,143,242 below expenditures, while under protection, still excluding the war years from consideration, the revenues exceeded the expenditures by the enormous sum of \$2,122,189,005.

To sum up in a single sentence the revenue records of low and protective tariffs, respectively, during years of peace, low tariffs showed a deficit in 20 out of the 55 peace years in which they were in operation, while protective tariffs showed a deficit in but 5 of the 49 peace years in which they were in operation, the low tariffs producing a total deficit during their entire 55 peace years of operation amounting to 33 million dollars, and the protective tariffs a surplus of 2,122 millions during the 49 years of peace in which they were in operation. "The proof of the pudding is in the eating." Fifty-five peace years of low tariff,



deficit, 33 million dollars; forty-nine peace years of protection, surplus, 2,122 millions. (For table of revenues under low and protective tariffs, respectively, see page 59.)

### The Home Market.

The object of a protective tariff is to conserve and develop the home market for the home producer. By this is meant not merely the home manufacturer, but the home producer of every class, because of the development of each domestic industry through the prosperity of other domestic industries. While primarily protection in the United States looks especially to the development of the manufacturing industry, that development of the manufacturing industry in turn develops other industries. To produce the enormous supplies of manufactures required by our own people—the farm, the forest, the mine, and even the fisheries are called upon for material to aid in this work. Not only are all of these branches of industry thus developed by the mere calls upon them for material for use in manufacturing, but the millions of men and women engaged in manufacturing and other dependent industries through their prosperity and employment at good wages have the means with which to purchase and pay for these products. The manufactures of the country require from the farmer cotton, wool, hides, flax, hemp, the grain which is manufactured into flour, meal, etc., and the numerous other articles of lesser importance; they require the products of the mine, coal, iron, copper, zinc, tin, lead, nickel, gold and silver; and they require of the products of the forest large supplies. These industries—manufactures, mining and forestry—employ more than six million people and pay them wages amounting to three billions of dollars annually, which they in turn expend for the products of the farm, the fisheries, the mines and the factories. Thus, under protection, each industry, through its activities, stimulates other industries, while those other stimulated industries, through the prosperity of the persons engaged in them, in turn become consumers and purchasers, thus developing and stimulating the production and prosperity of every occupation and industry of the country.

### MUTUAL INTERDEPENDENCE THE KEYNOTE.

The interdependence of the great industries of the country and the dependence of each for its prosperity upon the success and prosperity of the others can better be realized when it is stated that of the 2,389 million dollars' worth of raw materials used by the manufacturers of the United States in 1900, no less than 1,941 million dollars' worth was the product of agriculture, and only 156 million dollars' worth of this was imported. These figures are from the official statements of the United States census and the Bureau of Statistics. Thus, 75 per cent of the raw material used by the manufacturing industries of the country is drawn from our own farms, the remainder being products of the mines and forests and miscellaneous imports. These figures indicate the interdependence of the great industries of the country and the relation of the prosperity and activity, one by one, to the prosperity and activity of the other. This interdependence is especially shown by the figures which indicate the use of agricultural products in the manufacturing industries of the country. As already indicated, 75 per cent of the raw materials used by the manufacturers of the United States are products of our own agriculture.

The total value of the farm products of the United States in 1900, according to the census of that year, was 3,764 million dollars, and the total value of agricultural products used in manufacturing was 1,940 millions. Of this 156 millions was imported and the remaining 1,785 million dollars' worth was drawn from our own farms. Thus, our own agricultural products used in the manufacturing establishments of the United States, according to the official figures of the census of 1900, actually amounted to *more than one-half* of the total value of the products of the farms of the country in that year. When to this we add the enormous demands made upon the farmers for food supplies for the six million people employed by the manufacturers and in the other industries from which the manufacturers draw part of

their material, the importance to the farmer of the prosperity of the manufacturers can scarcely be over-estimated.

Another class of consumers whose prosperity and therefore purchasing power depends greatly upon the activity of the manufacturing interests is those engaged in transportation, while still another group is those engaged in trade. These two groups of people—those engaged in transportation and trade—numbered in 1900, according to the census of that year, 4,766,965 persons, or more than 16 per cent of those engaged in “gainful occupations” in that year.

#### THE WELFARE OF EACH THE WELFARE OF ALL.

The total number of persons engaged in “gainful occupations” in 1900, according to the census of that year, was 29,074,117. Of these, 10,381,765 were engaged in agriculture; 7,085,992 in manufacturing and mechanical pursuits; and 4,766,964 in trade and transportation. Thus, of the 29 million people engaged in “gainful occupations” in the United States in 1900, 22 millions, or 76 per cent. of the total number, were engaged in agriculture, manufacturing, transportation and trade—all dependent for their activity upon the prosperity and activity of the manufacturing industries. On the other hand, the manufacturing industries were equally dependent for their success and for a home market for their products upon the prosperity of these three great groups engaged in agriculture, manufacturing, transportation, and trade. There remain in the census classification two other groups of people, viz, those engaged in domestic and personal services, 5,580,657, and those engaged in professional service, 1,258,739, and nobody can doubt that either of these great groups is equally dependent for its prosperity upon the prosperity of those engaged in agriculture, manufacturing, transportation, and trade, or that their prosperity as consumers is in turn important to the manufacturer, the agriculturist, and those engaged in trade and transportation. —

Thus the interdependence of the people and industries of a great nation such as the United States, with its enormous area equal to that of all Europe, and with its variety of climate, soil and products of field, forest, mine and factory, fully justifies the application of the protective principle, which insures prosperity and activity to that great industry of manufacturing, which in turn contributes so greatly to the activity and prosperity of all other industries. The gross value of the manufactures of the United States in 1900 was 13 billions of dollars, against less than four billions for products of the farm, and one billion dollars, products of the mine. The number of persons employed in manufacturing was 5¾ millions, and the sum paid to them as wages and salaries 2¾ billions of dollars, or more in a single year than the entire amount of money in circulation in the United States today. Practically all of this sum, together with most of the seven billions of dollars expended for materials used by the manufacturers, was distributed among the people of the United States, chiefly to the farmers whose products formed over 80 per cent of the value of the materials used, and who also supplied the food consumed by these five million employees, and in addition profited by the increased activity resulting in the other industries of mining, forestry, transportation, and trade.

#### THE HOME MARKET THE GREATEST MARKET.

These great facts—the aid which each industry proves to other industries in a country which supplies practically all of the requirements of man, whether in manufacturing or for food, clothing, heat, and light—make the home market of the United States the greatest market of the world. That this home market in the United States far exceeds that offered in any other part of the world was shown by the chief of the Bureau of Statistics, Mr. O. P. Austin, in an address at Rochester, N. Y., on January 7, 1904, in which he said:

“The internal commerce of the United States was in 1900 20 billions of dollars. With this definite basis of 20 billions in 1900, and knowing what rapid development has occurred since that time, we may safely and conservatively put the internal commerce of the year 1903 at 22 billions of dollars, a sum which actually equaled the entire international commerce of the world in that



**year.** Think of it, you producers and manufacturers, and merchants and traders and bankers and transporters, think of it! The market of our own country—the home market in which you can transport your goods from the door of the factory to the door of the consumer without breaking bulk a single time—is equal to the entire international commerce of the world.”

This is the measure of the home market, of its value, and of its importance to every class of citizens, and indicates the importance of maintaining the system under which it has been developed. Mr. Austin, in his remarks above quoted, showed also that this same home market had grown from only seven billions of dollars in 1870 to 22 billions in 1903, basing his estimate in both cases upon the figures of the United States census, having thus trebled in 33 years, while the international commerce of the world had only doubled during that same period of 33 years. Thus not only is the home market of the United States equal to the combined imports and exports of the world, but its growth is much more rapid than that of the markets offered in other countries.

#### **Labor and Protective Tariff.**

The importance to labor of the protective system and the activities which develop under it can scarcely be overestimated. Of the 29 million people engaged in “gainful occupations” in 1900, 7 millions are directly dependent upon manufacturing and mechanical industries, and  $4\frac{3}{4}$  millions upon trade and transportation, which are so closely associated with and affected by the activities of manufacturing. Practically one-half of the products of agriculture are, as indicated by the census, consumed by the manufacturing industries. Hence a large proportion of the 10 million persons engaged in agricultural pursuits are dependent for their prosperity upon the activities of the manufacturing industries, to say nothing of the  $6\frac{1}{2}$  millions engaged in professional, domestic, and personal service, whose employment must depend largely upon general prosperity in manufacturing and allied industries. It is not merely the  $2\frac{3}{4}$  billions of dollars paid as wages and salaries to the employees of the manufacturing establishments of the country, but the earnings of more than half of those engaged in “gainful occupations” which are affected by and dependent upon the prosperity of the manufactures.

#### **BANK DEPOSITS.**

That labor has been prosperous under the improved conditions in the manufacturing industries since the enactment of the Dingley tariff law is evidenced by the fact that deposits in savings banks alone, those depositories of the working people, widows, and orphans of the United States, grew from 1,907 million dollars in 1896, the last year under the low tariff, to 2,935 millions in 1903, an increase of over 50 per cent. During the period in which low tariff was in existence or threatening the industries of the country—1892 to 1897—savings bank deposits increased but 154 million dollars; since 1897 savings bank deposits have increased under a protective tariff 996 million dollars—the increase under Democratic low tariff being less than 40 million dollars per annum, and under Republican protective tariff, 166 million dollars per annum. Another evidence of prosperity among the masses is found in the amount of life insurance policies in force in the United States. Life insurance is another form of savings, and in the aggregate of its outstanding policies is to be found an equally important index of the prosperity of the people of the United States. During the period of threatened or actual Democratic low tariff, from 1893 to 1897, the value of life insurance policies in the United States increased from 5,291 million dollars in 1893 to 6,326 millions in 1897, or an average of only 259 millions per annum. Since that time the increase under a Republican protective tariff has been from 6,326 millions in 1897 to 10,508 millions in 1902, or at the rate of 836 millions per annum. Thus the value of life insurance policies in the United States increased in the four-year period of threatened or actual low tariff but 1,035 millions, or 259 millions per annum, while from 1897 to 1902 the increase has been 4,182 millions, or 836 millions per annum, the rate of increase under a Republican protective tariff being more than three times as great as the annual rate of increase under Democratic low tariff.



## INDUSTRIAL INSURANCE.

It may be objected that life insurance includes among its patrons men of wealth, and this is true; though they form but a small proportion, of course, of the total. But it will be admitted that this is not true of the industrial insurance associations, which collect their premiums in small weekly sums, and certainly their prosperity and activity may be accepted as a measure of the actual prosperity of the working men of the country or of those dependent upon the prosperity of the great industries. The statistics of industrial insurance in force in the United States, as published by the Bureau of Statistics, and supplied by that distinguished insurance statistician, Mr. Frederick L. Hoffman, show the amount of policies of industrial insurance in force in the United States, in 1893, at \$662,030,129; in 1897, \$996,139,424, and in 1902 at \$1,806,890,864. Thus during the period of threatened or actual low tariff the amount of industrial insurance in force increased by 334 millions, while since that time, during a period of protective tariff, the amount has increased 810 millions, the annual average rate of increase being, under Democratic low tariff, 85 millions per annum, and under Republican protective tariff, 162 millions per annum. The actual number of industrial policies outstanding in 1893 was 5,751,514; in 1897, 8,005,384; and in 1902, 13,448,134. Thus the increase in the number of policies outstanding during the threatened or actual low-tariff period was 2,253,870; and from 1897 to 1902, a period of Republican protective tariff, 5,442,740—an average annual rate of increase in the number of policies outstanding of but 563,470 under a Democratic low tariff, and of 1,088,548 under a Republican protective tariff.

## CONDITION OF LABOR IN GREAT BRITAIN.

No class of merchandise imported into a country represents labor in so large a proportion as do manufactures. Under free trade free-trade United Kingdom imported in 1902 700 million dollars' worth of manufactured and partly manufactured goods. The best experts estimate that labor forms fully one-half of the value of manufactures, taken as a whole. Of course in certain articles, such as fine laces, labor forms much more than one-half of the value, while in certain other articles, such as jewelry of gold, silver, or diamonds, the material forms the larger part of the value, and the labor a comparatively small proportion of the value. Taking manufactures as a whole, however, of the general class imported into manufacturing countries such as the United Kingdom or the United States, conservative experts estimate that labor forms fully one-half of the value in each case. Accepting this estimate it appears that the United Kingdom under free trade is every year permitting 350 million dollars' worth of foreign labor to come into direct competition with the working men of that country. In no country in the world is labor so highly organized for its own protection as in England. Yet with all of its organization for self-protection among its own employers and its own people, it is submitting to the introduction and competition in its own market and at its own doors of the labor of other countries at the rate of 350 million dollars a year. During the last decade the value of the manufactures imported into the United Kingdom amounted to six billions of dollars, one-half of which represented foreign labor thus brought into competition with the labor of Great Britain. Through the free admission to the markets of the United Kingdom during the past decade, the labor of other countries has absorbed three billion dollars of English money, a large part of which otherwise might have been paid to the workmen of that country. While the labor of Great Britain is organized very thoroughly and persistently protested against competitive employment of British labor not a part of those organizations, it has until recently made no protest against the introduction of labor from other parts of the world in the form of imported manufactures, and in the absence of such protest three billion dollars' worth of labor has in the last decade been brought into the United Kingdom in competition with her own labor and her own manufactures, with the result that the growth of manufactures is small compared with that in the protection countries, while the exports of manufactures have fallen off, and the imports of manufactures

have increased. The effect of this competition of foreign labor in the United Kingdom or protection from foreign labor in the United States is illustrated in the relative earnings of similar classes in like occupations in the two countries. The British Blue Book, which recently published the results of careful investigation upon this subject, gives the average weekly rates for 15 skilled trades in the large cities and in smaller cities and towns in the United Kingdom and the United States, respectively. These averages are made up from 141 quotations of wage rates in the United States, and 471 quotations in the United Kingdom. They show the average weekly rate of wages paid in 15 skilled trades in the great cities of the United Kingdom at \$10.12 (42 shillings); in the great cities of the United States, \$18.25 (75 shillings); in other cities and towns of the United Kingdom, \$8.76 (36 shillings); and in the United States, \$16.88 (69 s., 4 d.) In the large cities the rate of wages for occupations and trades similar to those in England is 80 per cent higher in the United States than in the United Kingdom, while in the smaller cities and towns the average was in the United States 93 per cent, higher than in the United Kingdom.

#### COLD FACTS ABOUT THE COST OF LIVING.

In reply to this stubborn fact that wages of labor in the United States are greatly in excess of those in free-trade England, the advocates of free trade have asserted that the cost of living in the United States is so much higher that no real advantage accrues to the American workman as compared with that of his fellow workman in free-trade England. This claim, however, can no longer be made in the face of statements repeatedly made in the report of the Moseley Labor Commission of Great Britain, which visited the United States in 1902. This Commission, headed by Mr. Albert Moseley, a distinguished manufacturer and philanthropist of England, was composed of officers of the labor unions of that country. They visited the various manufacturing cities and establishments of the United States while in this country, which included about two months of 1902, and on their return each member of the Commission was required to submit a detailed report, accompanied by explicit statements in answer to certain questions which had been prepared by the head of the Commission. Among these questions were certain which related to the relative cost of living in the United States and in England, the relative wages, and whether or not the industrious, careful workingman could accumulate more money as the result of his labor in the United States than in Great Britain. Practically every one of the members of the Commission replied that the cost of living in the United States, aside from clothing and rent, was no greater than that of England, and that beyond question a workingman in the United States could save more money from his earnings than one engaged in a similar occupation in England. On this subject Mr. Moseley himself, whose conclusions were determined not alone by his own observations but through conferences with the practical men who accompanied him—officers of the labor unions of his own country—said: "That the American workman earns higher wages is beyond question. As a consequence the average married man owns the house he lives in, which gives him not only a stake in the country but saves payment of rent, enabling him to either increase his savings or to purchase other comforts. Food is as cheap, if not cheaper, in the United States as in England, whilst general necessities may, I think, be put on the same level. The American workman is infinitely better paid, therefore, better housed and fed." In a letter to the London Times, just after his return, Mr. Moseley said: "The tariff question in the United States is absolutely a closed book. \* \* \* There is a disposition in some sections of the community (although even these are not very large) to make a revision of the tariff by reducing the duty on certain articles; but nobody dreams for a single instant that such reduction should be sufficiently large to allow the foreigner to come in and compete with them, lowering the standard of wages and injuring industry. *The workman in the United States is quite sufficiently alive to his own interests to keep this matter always before him and no Presi-*



*dential candidate would have the smallest chance of election if he proposed to attempt anything in the way of tariff reform likely to lower the standard of living and affect the wage-earning power of the American workman."* See letter on page 50.

The British Blue Book, entitled "Memoranda of Statistical Tables, etc., of the Board of Trade with Reference to British and Foreign Trade and Industrial Conditions," in a table prepared with the purpose of showing industrial conditions in the United Kingdom, United States, and other countries, gives the current rates of wages in the great cities for a few of the leading trades in the United States and United Kingdom, respectively, as follows: Carpenters, United Kingdom, \$10.65, United States, \$24.00; compositors, United Kingdom, \$9.65, United States, \$19.25; fitters, United Kingdom, \$9.65, United States, \$15.20.

The London Telegraph, discussing these figures of wages and cost of living in the two countries, puts the average weekly income per family of approximately equal earnings relatively to the standard of wages in the United Kingdom and the United States as follows: In the United Kingdom \$7.83, in the United States \$11.30; the total expenditure, including rent and clothing, in the United Kingdom \$7.56, in the United States \$10.50; and the weekly surplus, in the United Kingdom 27 cents; and in the United States 80 cents—the surplus of earnings over necessary expenditures therefore being three times as great in the United States as for like occupations in the United Kingdom. The above statements, from British authority, that American workmen can save more from their earnings than can those in free-trade England is fully sustained by the savings banks statistics of the two countries, which show that in the latest years for which figures are available the deposits in savings banks in the United Kingdom amounted to 959 million dollars, or \$22.86 per capita, and in the United States to 2,935 millions, or \$36.52 per capita.

A further indication of the relative effect of protection or low tariff upon the actual savings of the workingmen as evidenced by savings banks deposits is found in the fact that savings banks deposits in the United States during the period of threatened or actual low tariff (1893-97), increased but 154 million dollars, or but 9 per cent; while from 1897 to 1903, under protection, the increase was 996 million dollars, or 51 per cent. (For savings banks tables see page 107.)

#### **Tin Plate in the United States.**

An illustration of the advantage to labor which comes through the establishment and maintenance of protection to domestic industries is found in the history of tin-plate manufacturing in the United States. In 1890 there were no tin-plate factories in the United States. The McKinley tariff act placed a heavy duty on tin plate, with the distinct purpose of creating a tin-plate industry. The result has been the creation of tin-plate establishments which in 1900 employed 15,552 wage earners and paid them salaries and wages amounting to \$11,106,078 in that year. While the figures of men employed and wages paid are only available for the census year 1900, the figures of tin-plate production are available for each year from that following the passage of the McKinley act down to the present time. A comparison of these figures of production year by year with those of the year 1900, in which the wages paid amounted to \$11,106,078, fully justifies the assertion that the wages paid to American workmen in the tin-plate factories of the United States since the enactment of the McKinley law amount to \$100,000,000, while their consumption of material for manufacturing has aggregated 200 millions. Meanwhile the cost of tin plate to the consumer in the United States has been greatly reduced, despite the maintenance of the high tariff. The average price paid for tin plates in the New York markets in 1890 was \$5.15 per box of 100 pounds, while in April, 1904, the price in the same market was but \$3.65. Thus, as a net result of the protective tariff on tin plate a market has been made for 200 million dollars' worth of domestic products, the workingmen of the country have been paid 100 millions in wages and the cost of tin plate to the consumer has been reduced 29 per cent. See detailed discussion of tin plate industry, page 84.



**Are the Rich Growing Richer and the Poor Poorer?**

The frequent assertion that the protective tariff is especially in the interests of the manufacturers and capitalists, and that under it "the rich grow richer and the poor poorer" may be answered in a word by some of the figures which have already been quoted. While it is doubtless a fact that the manufacturers and capitalists are prosperous, it is equally true that the workingmen are prosperous and that *the share of labor in the general prosperity of the country is steadily increasing*. No more accurate evidence of the prosperity of the workingman can be found than the figures of deposits in savings banks and industrial life insurance. The statistics of deposits in savings banks show that the total deposits in 1880 were 819 million dollars; in 1890, 1,525 millions, and in 1903, 2,035 millions. Thus, in 1903, the deposits in savings banks are over  $3\frac{1}{2}$  times as much as in 1880 and nearly twice as much as in 1890. Industrial life insurance policies in force in the United States amounted in 1880 to 20 million dollars value; and in 1890, to 429 millions; and in 1902, to 1,806 millions. Thus the amount of industrial insurance outstanding in 1902 was 90 times as much as in 1880, and over four times as much as in 1890. Now let us compare these savings of the workingmen—this growth in their accumulated wealth—with the general growth of wealth in the United States. The census puts the wealth of the United States in 1880 at 42 billion dollars; in 1890, at 65 billions; and experts estimate it at the present time as being fully 100 billions, the total for 1904 being, therefore, about  $2\frac{1}{2}$  times as great as in 1880, and 50 per cent. in excess of that of 1890. Deposits in savings banks, as already shown, are today  $3\frac{1}{2}$  times as much as in 1880 and nearly twice as much as in 1890; and the value of industrial life insurance policies in force at the present time is 90 times as much as in 1880, and four times as much as in 1890. This seems to justify the conclusion that the *accumulations of the masses*, the patrons of savings banks and industrial life insurance associations, *are proportionately much more rapid than the general growth of wealth*, and that they are, therefore, steadily increasing their share in the general prosperity and the general accumulations of wealth.

**Growth of National Wealth Under Protection and Free Trade.**

That national wealth and therefore general prosperity is created more rapidly under protection than under free trade is illustrated by a comparison of the figures of wealth in free-trade United Kingdom and protected Germany and the United States, respectively, in 1870 and 1903. These statements of national wealth at the dates named are, in the case of the United States, those of our own census, while in the case of the United Kingdom and Germany they are based upon careful estimates by the most eminent statisticians and economists of the world, among the number being Sir Robert Giffen, Yves Guyot, Michael Mulhall, and Professor Soetbeer. They show that from 1870 to 1903 the wealth of the United Kingdom, under continuous free trade, increased 66 per cent.; that of Germany, with protection during a large part of the period, 95 per cent., and that of the United States, with continuous protection except during the period 1894-97, 233 per cent. Thus, growth in domestic wealth is not only the logical result of protection, but has proved the actual result in its practical operation. The nation which excludes such products of other countries as her own people can produce not only prevents the sending of wealth out of the country to purchase those products but stimulates her own people to produce them from the elements which nature supplies—the products of the soil, the forest, and the mine. The larger the country, the greater the variety of its natural products which can be turned into manufactures, and the larger the population to create a home market, the more rapid the increase of wealth. The United States produces 43 per cent of the world's pig iron, 50 per cent of its copper, 80 per cent. of its cotton, and has 40 per cent. of the world's railways and the world's cheapest transportation with which to assemble those products, and one-third of the world's coal for use in turning them into manufactured form. To absorb these products it has practically the exclusive control of a home market amounting to 22 billions of dollars per annum, or

twice the amount of the imports of all nations of the world aside from the United States. The total imports of all nations of the world, aside from the United States, according to the Bureau of Statistics, are, in round terms, 11 billion dollars per annum; while the value of the merchandise consumed in the home market in a single year is, according to an estimate of the chief of that Bureau, based upon census figures, 22 billions of dollars, or exactly twice the total annual imports of all nations other than the United States. It is through the production from natural sources—the soil, the forest, and the mine—and its transformation by labor into this 22 billion dollars' worth of merchandise annually consumed in our home markets that this enormous national wealth of 100 billion dollars has been created. In 33 years, just one-third of a century, there has been added to the wealth of the United States 70 billions of dollars, while during that same period free-trade United Kingdom has added to her wealth but 24 billions of dollars.

The following table shows the wealth of the United Kingdom, Germany, and in the United States in 1870 and 1903, as estimated by leading statisticians and economists of the world, and the percentage of increase from 1870 to 1903:

Countries.	National Wealth (in billions of dollars.)		Percentage of increase.
	1870.	1903.	
United Kingdom ....	36	60	66.7
Germany.....	21	41	95.2
United States.....	30	100	233.3

In savings bank deposits alone, which illustrate the prosperity of the working people, the increase in the United Kingdom was from 265 million dollars in 1870 to 959 millions in 1903; an increase of 694 million dollars; in the United States the increase was from 550 million dollars in 1870 to 2,935 millions in 1903, an increase of 2,385 millions. The increase in savings bank deposits from 1870 to 1903 was more than three times as great in the United States as in the United Kingdom.

#### **Relative Growth of Manufactures Under Protection and Free Trade.**

The fact that prosperity of the manufacturer insures prosperity of all other classes, as indicated by the figures already given showing the great contributions of the manufacturing industries to all other classes of occupations, justifies an inquiry as to the relative growth of manufacturing under protection and free trade. The two marked examples of protection are the United States and Germany, and the one marked example of free trade is the United Kingdom. That distinguished English statistician, the late Michael G. Mulhall, shortly before his death made a careful analysis and comparison of the manufacturing industries of these three countries, at certain periods sufficiently distant to determine the relative growth of the manufacturing industries in those countries. He found that the value of the manufactures produced in free-trade United Kingdom was, in 1860, 2,808 million dollars, and in 1894, 4,263 millions, having thus increased during that period 1,455 million dollars, or but 51 per cent. In Germany, which adopted protection in 1879, and was thus a protection country during about half of the period covered by these figures, the value of manufactures grew from 1,995 million dollars in 1860 to 3,557 millions in 1894, an increase of 1,562 millions, or 78 per cent. In the United States, which adopted protection in 1861 and was a protection country during all of the period covered by Mr. Mulhall's figures, the value of manufactures grew from 1,907 million dollars in 1860 to 9,498 millions in 1894, an increase of 7,591 millions, or 396 per cent. To sum up in a single sentence, this study of the relative growth of manufactures, it may be said that in the period from 1860 to 1894 free-trade England increased her manufactures 1,455 million dollars; Germany, which had protection during about half of that period, increased her manufactures 1,562 millions; and the United States, which had protection during all of that period, increased her manufactures 7,591 millions; while the percentage of



growth in the period from 1860 to 1894 was, for the United Kingdom, 51 per cent; Germany, 78 per cent, and the United States, 396 per cent.

#### PIG IRON AND COAL.

Some details of the growth of manufacturing industries may be worthy of a moment's consideration. Pig iron is generally considered the best barometer of manufacturing and industrial activity and prosperity. Taking again the three countries already named, free-trade England, protection Germany, and the United States, the production of pig iron in the United Kingdom grew from 3,830,000 tons in 1860 to 8,680,000 tons in 1902, an increase of 5,850,000 tons, or 153 per cent.; Germany's production of pig iron grew from 530,000 tons in 1860 to 8,393,000 tons in 1902, an increase of 1,484 per cent; and that of the United States grew from 820,000 tons in 1860 to 17,821,000 tons in 1902, or 2,073 per cent.

Coal production and consumption is another evidence of manufacturing and business activity and prosperity. In this, as well as in iron and manufactures generally, the two protection countries—Germany and the United States—show a much more rapid increase than the United Kingdom. The coal consumption of the United Kingdom in 1875 was 114 million tons, and in 1902 166 million tons, an increase of 52 million tons, or 45.7 per cent. The coal consumption of Germany in 1875 was 47½ million tons, and in 1902 149 million tons, an increase of 101 million tons, or 212 per cent. The coal consumption of the United States in 1875 was 47 million tons, and in 1902 266 million tons, an increase of 219 million tons, or 470 per cent. Attention is especially called to the fact that the figures here quoted are those of consumption, not of production. In the case of the United Kingdom production shows a much greater gain than that of consumption, since that country is a large exporter of coal, but even the figures of production do not compare in rapidity of growth with those of protected Germany or the United States. Coal production in the United Kingdom grew from 80 million tons in 1860 to 227 million tons in 1902; that of Germany grew from 17 million tons in 1860 to 151 million tons in 1902; and that of the United States from 15 million tons in 1860 to 269 million tons in 1902.

#### The Fight Against Free Trade in England.

One of the most striking evidences of the relative effects of protection and free trade upon the manufacturing industry is found in the figures now being presented in England as arguments in favor of the abandonment of free trade and the adoption of protection. Those arguments are based upon the statement that exports of manufactures from the protected countries have grown more rapidly than those from free-trade England, while imports of manufactures into free-trade England have increased much more rapidly than those into the protected countries. The figures quoted in support of this assertion are from an official publication of the British Government, a publication especially prepared for serious consideration in the proposition now before the English people, of a return to protection in order to strengthen the home manufacturing industry and to prevent its destruction by the introduction of manufactures from the protected countries of the world. These official statements issued by the British Government show that exports of manufactures from free-trade United Kingdom increased 8 per cent. from 1882 to 1902; those from protected Germany 64 per cent., and those from protected United States 200 per cent. Equally striking is the fact that the United Kingdom, although a great manufacturing nation, finds her own markets being more and more invaded each year by the manufactures from protection countries, the importations of manufactures from the United States into the United Kingdom having grown from 10 million pounds sterling in 1890 to 21 millions in 1902; those from Germany, from 9 millions in 1890 to 16 millions in 1902; those from Belgium, from 12 millions in 1890 to 20 millions in 1902; those from France, from 25 million pounds sterling in 1890 to 31 millions in 1902. Meantime the exports of manufactures from the United Kingdom to the principal protected countries—United States, Germany, Belgium, Netherlands, France, Russia, and Italy—fell from 83½ million pounds sterling in 1890



to 70 millions in 1902, while to other countries and colonies they increased from 145 million pounds sterling in 1890 to 157 millions in 1902. Thus to the principal protected countries England's exports of manufactures decreased  $13\frac{1}{2}$  million pounds sterling from 1890 to 1902, and to the nonprotected countries they increased 12 million pounds sterling. Meantime her own imports of manufactures, unobstructed by protective tariffs, increased from 98 million pounds sterling in 1890 to 148 millions in 1902. To put it in a single sentence, free-trade England's exports of manufactures to protected countries fell off  $13\frac{1}{2}$  million pounds sterling (65 million dollars) from 1890 to 1902, and those to other countries of the world increased 12 millions sterling (58 million dollars), while in the absence of protection her own imports of manufactured and partly manufactured goods increased 50 million pounds sterling (250 million dollars). Thus the principal protected countries of the world are now excluding from their markets 65 million dollars' worth of manufactures which they formerly took from the United Kingdom and annually paying this sum to the workmen and manufacturers within their own borders, while free-trade England has during the same time, through the absence of a tariff, admitted to competition with her workmen the labor of other countries in the form of the 250 million dollars' worth of manufactured and partly manufactured goods which she is now importing in excess of that imported in 1890. It is because of this disaster to the labor and manufacturing interests of the United Kingdom, the loss of the home market as well as of the market in protected countries, that leading statesmen of that country are now openly and earnestly advocating a return to the protective system which all other leading nations of the world have now adopted.

#### IMPORTS AND EXPORTS OF MANUFACTURES BY THE UNITED KINGDOM.

The following table presents the imports and exports of the United Kingdom by five-year periods, taking the annual average for each period from 1864 to 1902, the share which manufactures formed of the imports and exports, respectively, being shown. It will be seen that the percentage which manufactures form of imports grew from 14.9 per cent. for the period 1859-63 to 27.8 per cent. for the period 1899-1902, and that the share which manufactures form of exports fell from 91 per cent. in 1859-63 to 81.6 per cent in the four-year period, 1899-1902.

*Imports and Exports of the United Kingdom (merchandise only)  
Compared with the Imports and Exports of Manufactured or  
Partly Manufactured Goods, the Figures Stated Being in Each  
Case the Annual Average for the Five-Year Period Named.*

[From the British Blue Book.]

Annual average for—	Total imports of—		Proportion of manufactures to total imports.	Total exports of—		Proportion of manufactured exports to to- tal exports.
	Merchan- dise.	Manu- factures.		Merchan- dise.	Manu- factures.	
	Million £.	Million £.		Million £.	Million £.	
1859-63	216.2	32.6	14.9	132.4	120.5	91.0
1864-68	282.2	46.3	16.4	175.0	161.5	92.3
1869-73	331.0	58.6	17.7	224.8	204.2	90.8
1874-78	376.4	75.4	20.0	211.2	189.3	89.6
1879-83	402.2	80.3	20.0	226.2	201.1	88.9
1884-88	372.2	84.6	22.7	223.0	196.9	88.3
1889-93	422.4	98.7	23.3	240.8	208.8	86.7
1894-98	437.8	115.1	26.2	229.8	197.0	85.7
1899-02	514.5	143.1	27.8	271.8	221.8	81.6

The falling off in England's exports of manufactures occurs especially in her trade with the protected countries, as is illustrated by the following table from the *British Blue Book* showing the exports of British manufactured or partly manufactured goods to the principal protected foreign countries. It will be seen that exports of manufactures to the protected countries fell from an annual average of 101 million pounds sterling for the period 1870-74 to an average of 75 millions for the period 1900-1902.

*Total Exports of British Manufactured or Partly Manufactured Goods to the Principal Protected Foreign Countries.*

Period.	Average annual amount. Pounds sterling.
1870-74 .....	101,238,000
1875-79 .....	75,979,000
1880-84 .....	84,922,000
1885-89 .....	77,300,000
1890-94 .....	77,075,000
1895-99 .....	74,100,000
1900-02 .....	75,464,000

EXPORTS AND IMPORTS OF MANUFACTURES, UNITED STATES AND  
UNITED KINGDOM.

The table which follows, from the British Blue Book, shows the exportation of manufactures from free-trade United Kingdom and protected United States, respectively, at quinquennial periods from 1860 to 1900, and in 1902, stated in millions of pounds sterling for the United Kingdom and in millions of dollars for the United States. It will be seen that exports of manufactures from the United Kingdom increased from 124.9 million pounds sterling in 1860 to 227.6 millions in 1902, having thus less than doubled, while those from the United States increased from 40.3 million dollars in 1860 to 403.6 millions in 1902, being thus ten times as great in 1902 as in 1860.

*Exportation of manufactures from United Kingdom and United States, respectively, at quinquennial years, 1860 to 1902.*

[From official statistics of the respective governments.]

Year.	From the United Kingdom. Millions sterling.	From the United States. Millions dollars.
1860 .....	124.9	40.3
1865 .....	153.1	59.0
1870 .....	182.4	68.2
1875 .....	201.2	92.6
1880 .....	198.2	102.8
1885 .....	188.1	147.1
1890 .....	228.4	151.1
1895 .....	195.0	183.6
1900 .....	224.7	433.8
1902 .....	227.6	403.6

The table which follows, also from the British Blue Book, shows the importation of manufactures into free-trade United Kingdom and protected United States, respectively, at quinquennial years from 1860 to 1900, and in 1902, stated in millions of pounds sterling for the United Kingdom and in millions of dollars for the United States. It will be seen that imports of manufactures into the United Kingdom grew from 29.3 million pounds sterling in 1860 to 148.9 millions in 1902, while the importation of manufactures into the United States only grew from 212.3 million dollars in 1860 to 344.8 millions in 1902. Thus the importation of manufactures into free-trade United Kingdom increased 400 per cent during the period in question, while those into protected United States increased only 64 per cent.

*Importation of manufactures into United Kingdom and United States, respectively, at quinquennial years, 1860 to 1902.*

[From official statistics of the respective governments.]

Year.	Into the United Kingdom. Millions sterling.	Into the United States. Millions dollars.
1860 .....	29.3	212.3
1865 .....	43.5	111.3
1870 .....	57.0	217.6
1875 .....	72.7	245.8
1880 .....	83.2	263.2
1885 .....	83.4	259.0
1890 .....	98.2	328.8
1895 .....	107.7	301.9
1900 .....	145.2	297.8
1902 .....	148.9	344.8

Meantime the domestic manufactures of the United Kingdom, subjected as they thus were to the enormous pressure from manufacturers of other countries and the rapid growth in imports of foreign manufactures, grew, according to Mr. Mulhall, from 2,808 million dollars' value in 1860 to 4,263 millions in 1894, while those of the United States, under protection, grew, according to this same authority, from 1,907 millions in 1860 to 9,498 millions in 1894. From 1860 to 1894, therefore, British manufactures, subjected to fierce competition with all other parts of the world, increased but 51 per cent, while those of protected United States increased 396 per cent. To sum up in a single sentence the contrast between the prosperity of manufactures in free-trade United Kingdom and protected United States, during the period from 1860 to 1902 imports of manufactures into the United Kingdom increased 400 per cent., into the United States 64 per cent.; exports of manufactures from the United Kingdom increased 51 per cent, those from the United States 900 per cent, while production of manufactures in the United Kingdom increased, from 1860 to 1894, 51 per cent, and in the United States 396 per cent.

#### **Importation of Raw Material for Manufacturing Under the Wilson and Dingley Laws, Respectively.**

One point worthy of special attention in a comparison of the work of the Wilson low tariff and the Dingley protective tariff acts is that the importation of raw material for use in manufacturing has been very much greater under the Dingley than it was under the Wilson act. "Free raw materials" was the Democratic cry during their campaign and during the preparation of the tariff act; yet the demoralization of the home market which resulted from low tariff rates on manufactured articles so reduced the demand upon the manufacturers for finished goods that they had little occasion to use the free raw materials which the Wilson act gave them. The Dingley act also placed a very large proportion of the raw materials on the free list, levying, however, a duty on certain articles which come in competition with those produced at home, especially wool and hides; but in no case was this sufficient to prove embarrassing to the manufacturers, while the domestic industry was meantime stimulated. The Statistical Abstract of the United States shows that the value of articles in a crude condition which enter into the various processes of domestic industry imported in the years 1895, 1896 and 1897, in which the Wilson low tariff was in operation, aggregated \$596,601,396, or an average of 199 millions per annum; while the imports of this class of articles in the fiscal years 1901, 1902, and 1903 aggregated \$982,842,401, or an average of 328 millions per annum.

Thus the net result of the application of the two principles of free raw materials and low duties on manufactured articles on the part of the Democratic measure, and free raw materials and protective duties on manufactured goods under the Republican measure, is shown in the fact that the importation of raw material for use in manufacturing during the three years in which the Wilson law was in operation averaged 199 million dollars per annum, while in the last three years under the Dingley law the importation of raw material for use in manufacturing averaged 328 million dollars per annum. Despite the assertion of the Democrats that they were going to give to the manufacturers of the country free raw material, the disadvantages to the business community of their low tariff rates which they coupled with it were so great that the manufacturers had little use for the free raw materials; while under the protective measure which gave the manufacturers free raw materials in most of their required articles and an enormous demand in the home market by reason of the protection to manufactures, the importation of raw material under the Dingley law in the last three years has been 65 per cent. in excess of that under the Wilson law in a like number of years.

Under the Wilson law, with all of its boasted "free raw materials" for the manufacturers of the country, articles in a crude condition for use in manufacturing averaged but 26 per cent. of the total imports; while under the Dingley law articles in a crude condition for use in manufacturing formed 31.8 per cent. of the



total imports in 1899; in 1901, 33½ per cent.; in 1902, 36½ per cent., and in 1903, 38 per cent. of the total imports. This justifies the above assertion that the low tariff rates on manufactures which accompanied the free raw material of the Wilson law destroyed the home demand for those raw materials, while the protective duty on manufactures under the Dingley law so stimulated the home demand for manufactures that our manufacturing establishments increased their share of the total importations from 26 per cent. under the Wilson act to 38 per cent. under the Dingley act.

A table on page 129 shows the total value of "articles in a crude condition which enter into the various processes of domestic industry" imported and the percentage which they formed of the total imports in 1895, 1896, and 1897 under the Wilson act, and in 1899, 1900, 1901, 1902, and 1903 under the Dingley act:

#### **Does Protection Cause an Increase of Prices in the Home Market?**

Experiences in the United States do not justify the assertion made by the free traders that a protective tariff results in an advance of prices or in high prices in the country adopting it. Certainly this has not been the case in the United States. With an area equal to that of all Europe, and producing practically all articles other than tropical which are required for use in manufacturing and for food, with a population of 80 millions, with nearly a half million separate and competing manufacturing establishments, with perfect freedom of interchange between all parts of the community in which these manufacturing establishments are located, and with the cheapest transportation facilities which the world affords, the competition among our own producers is an absolute assurance against excessive prices or against possible combinations by which artificial prices can be maintained. The census of 1900 shows the number of manufacturing establishments whose product exceeds in each case \$500 per annum. It gives the number as 296,440, and of those having a product of less than \$500 each, 127,419, and these figures do not include the hand trades in which the number of establishments is given at 215,814. That natural competition among such a large number of producers, located with especial reference to proximity to materials and power, or markets, or both, should produce the keenest competition and consequently the lowest possible prices consistent with a fair rate of profit is apparent. That it does so happen is evidenced by the fact that the price of tin plate, as above indicated, has fallen from \$5.15 per box of 100 pounds in 1890, the year of the enactment of the McKinley law which placed a high rate of duty on that article, to \$3.65 in the same market April 29, 1904. True there was a time during that period when prices of tin plate returned to a figure nearly as high as that of 1890, but this was due solely to a great increase in the price of the material used in its manufacture and in the price of labor. During that period of high prices pig tin advanced 174 per cent. above its lowest record price, and steel slabs, the material from which the plates are made, advanced 193 per cent above its low-record prices, while tin plate and Bessemer pig iron advanced 174 per cent above their low-price record, and steel tank plate advanced 161 per cent. above its low record. In all of these cases the advance in prices of the material was greater than that of the finished product, while today with the reducing prices in the raw material tin plate has again fallen to \$3.65 per box, or 30 per cent. below the price in 1890, the year in which the duty was placed upon that article.

#### **THE CASE OF STEEL RAILS.**

Another and even more striking illustration of the reduction in home prices of articles upon which a high rate of duty is placed is found in the case of steel rails. A duty of \$28 per ton was levied on steel rails in 1870. In the immediately preceding year the quantity of steel rails produced in the United States was only 8,616 tons. In 1871, the year following that in which the duty was placed upon steel rails, the production was 34,152 tons; by 1881 it had reached 1,210,285 tons; in 1887 it was over two million tons, and in 1902 was 2,947,933 tons. In 1870, the year in which the

duty was placed on steel rails, the currency price of steel rails in the United States, as shown by the Statistical Abstract, was \$106.75 per ton; by 1880 the price had fallen to \$67.50 per ton; by 1890 to \$31.75, and in 1903 the average price was \$28 per ton. Meantime the duty had been reduced to \$17 per ton in 1883; \$13.44 per ton by the McKinley act of 1890; to \$7.84 by the Wilson-Gorman act, and this rate of \$7.84 per ton was continued under the Dingley act.

#### DUTY ON HIDES DID NOT INCREASE PRICES OF BOOTS AND SHOES.

Prices of boots and shoes following the imposition of a tariff of 15 per cent. ad valorem on hides of cattle imported did not advance. Prior to the enactment of the Dingley law hides had been for many years free of duty. By that act a duty of 15 per cent. was levied on raw hides and still remains. That act went into effect July, 1897. On January 1, 1897, the wholesale price of men's grain shoes was shown by tables quoted in Dun's Review, an accepted authority, at \$1.07½ per pair. Instead of advancing, the price fell from \$1.02½ on January 1, 1898, to 97½ cents on January 1, 1899; \$1.05½ on January 1, 1901, and \$1.05 on January 1, 1902. Men's calf shoes, which were \$1.75 per pair at wholesale prices on January 1, 1897; by January 1, 1899, were \$1.70, and on January 1, 1902, were \$1.75. Men's kip boots, which were \$1.33 on January 1, 1897, before the duty had been placed on hides, were, on January 1, 1899, \$1.30. Women's grain shoes, which were 87½ cents per pair at wholesale on January 1, 1897, were on January 1, 1899, the year after the addition of the rate of duty on leather, 85 cents per pair. It is true that prices of boots and shoes of all grades have advanced slightly since 1902, due to an increase in the prices of raw material and prices of labor; but the fact that there was a steady fall in the price of practically-all grades of shoes during the two years following the enactment of the Dingley law which placed a duty on hides, shows that the duty placed on hides produced no advance in the prices of boots and shoes. That the recent advance in prices is due to causes other than the tariff, which has not been changed since 1897, is evidenced not only from the general advance in prices of labor, but from the fact that the average import price of hides in 1903 was about 20 per cent higher than that of 1899, as shown by the official statements of quantity and valuation of hides imported in those years, while in the domestic markets prices of hides and leather also show a corresponding advance as compared with 1899.

Upon this subject of the effect of a protective duty upon the prices of articles produced at home, attention is especially called to the fact that a very large proportion of the material required by manufacturers for production of the articles which enter into the home markets are imported free of duty. The total value of material imported for manufacturing in 1903 was 380 million dollars. Of this 280 millions came in free of duty and 100 millions was dutiable. Upon this the amount of duty collected was 32 million dollars, which amounts to less than one-fourth of one per cent. of the gross value of the manufactures of the United States as reported by the census of 1900. Even if we take the entire amount of duty collected on finished manufactures and manufacturers' materials in 1903, we should get a total of but 200 million dollars, or a fraction over one per cent. of the gross value of the domestic manufactures of that year, an advance easily and almost certainly more than offset by the reduction naturally resulting from competition among the large number of manufacturers producing and seeking a market for this enormous quantity of manufactured material.

#### Trusts not Able to Fix Prices.

The assertion that the great combinations are able to fix and maintain prices is amply refuted by the experiences of the present year. A table recently published by the Bureau of Statistics and printed on another page of this work (see index) shows a *large fall in prices of nearly all classes of articles produced by the great manufacturing combinations* of the United States during the past year, in which the trusts have been supposed to be at the very height of their power, while *the chief articles in which an increase of price is reported are the products of the farm or those imported from other countries, in neither of which are the articles in question produced by trusts.*



### Coal Prices Advanced After the Coal Tariff was Removed.

A recent illustration of the fact that prices in the United States are not affected by presence or absence of tariff duties is found in a study of the results of the removal of the duty on coal, made in the closing months of 1902. It will be remembered that in view of the then existing coal strike and the shortage of coal resulting from that strike, urgent demand was made for a removal of the duty on bituminous coal. In response to this demand Congress enacted a law suspending the duty on coal for one year beginning with January 1, 1903. The rate of duty on bituminous coal under the then existing law was 67 cents per ton, and if the theory that this duty is added to the price in the home market were true, the removal of this duty of 67 cents per ton should have caused a corresponding fall in the selling price of coal in the United States. Instead of this, however, the annual average price per ton of bituminous coal, as shown by the official reports of the Bureau of Statistics of the United States Government, was \$3.75 in 1903, against \$2.50 in 1902, 1901, and 1900, respectively; \$2.00 in 1899, and \$1.60 per ton in 1898. This price of \$3.75 per ton which existed in 1903 in the absolute absence of any tariff duty on coal was higher than that quoted in these official reports at any time since 1881.

### Reciprocity.

Reciprocity is another form of tariff revision which has been suggested at various times by various people and by people belonging to various political parties. It was suggested by President Arthur, James G. Blaine and William McKinley; was put into operation in the McKinley tariff law; was destroyed by the Democratic Wilson-Gorman tariff law; and now the Democratic party is charging that the Republican party is not willing to give the country "genuine reciprocity." There are two distinct kinds of legislation which have been designated as reciprocity legislation.

#### THE DEMOCRATIC PLAN.

The first of these was enacted by the Democratic party in 1854, taking effect in 1855. It was reciprocity with Canada, and provided that certain articles, the growth or produce of Canada or the United States, should be admitted into each country, respectively, free of duty. These were *articles of common production in the two countries*, and included grain, flour, animals of all kinds, fresh, smoked, and salted meats, cotton, seeds, vegetables, fruits, fish, poultry, eggs, hides, furs, stone, slate, butter, cheese, tallow, lard, ores, coal, pitch, turpentine, ashes, timber, lumber, flax, hemp, tobacco, and rags. These were all, with the single exception of cotton, articles of mutual production, and Democratic reciprocity simply provided for free trade in these competing articles. Under that treaty, which went into effect March 16, 1855, and terminated March 17, 1866, exports from the United States to Canada fell from \$27,741,808 in the fiscal year 1855 to \$23,439,115 in the fiscal year 1866, a reduction in our exports to Canada of over 4 million dollars during this period of Democratic reciprocity, while imports into the United States from Canada increased from \$15,118,289 in 1855 to \$48,133,599 in 1866, an increase of 33 million dollars. In our trade with all other countries during that same period our imports increased 60 per cent. while those from Canada were increasing 220 per cent., and our exports to all other countries increased 70 per cent while those to Canada under this reciprocity were decreasing 15 per cent. It was simply *free trade in articles of common production and with no barrier to protect the domestic producer*—the result being a much greater increase in our imports from Canada than in those from other countries, and a decrease of exports to that country, while to other countries exports were increasing. (See table, page 522.)

#### THE REPUBLICAN PLAN.

A later form of reciprocity with which the country has had experience is illustrated by the plan formulated in the McKinley tariff law and expressed by William McKinley in his much-quoted speech at Buffalo, quoted in full on page 441, in which he said: "By sensible trade arrangements *which will not interrupt our home production* we shall extend the outlets for our increasing surplus. \* \* \*



We should take from our customers such of their products as we can use *without harm to our industries and labor*. \* \* \* If perchance some of our tariffs are no longer needed for revenue or to encourage and protect our industries at home, why should they not be employed to extend and promote our markets abroad?"

To purchase from our neighbors "such of their products as we can use *without harm to our industries and labor*," in other words such of their products as are not produced by our own labor and obtain in exchange markets for the class of merchandise which we desire to sell, and which the countries in question require for their own use, differs materially from the reciprocity of 1855-56 which was merely free trade in articles of mutual production, articles which when imported compete with the home producer. The chief classes of products which we do not produce in the United States are tropical and subtropical. We import about 400 million dollars' worth of tropical and subtropical products every year more than a million dollars' worth for every day in the year, including Sundays and holidays. These articles we do not produce in the United States in sufficient quantities for home requirements. They include rubber, hemp, sisal, jute, raw silk, Egyptian cotton, and other articles used in manufacturing, and coffee, cocoa, tea, spices, olives, bananas, and sugar, used as food and drink. These classes of articles are of the class which "we can use without harm to our industries and labor." Sugar is the only article in this list produced in the United States, and at the present time the home production of sugar is only sufficient to supply about one-fifth of the total home consumption. The countries which produce these tropical and subtropical articles are not manufacturing countries, nor are they large producers of those great staples of food—flour, wheat, corn, and meats. As a consequence, they require the very classes of articles which the people of the United States have to sell.

#### TREATIES UNDER THE M'KINLEY LAW.

Under the McKinley tariff law reciprocity treaties were made by President Harrison with the governments of Brazil, British Guiana, Salvador, Nicaragua, Honduras, Guatemala, Santo Domingo, and the countries governing the British West Indies and Porto Rico and Cuba. These treaties provided for a reduction of duties on foodstuffs and manufactures from the United States entering the countries and islands in question, in exchange for the free importation of sugar, coffee, tea, and hides into the United States, as provided under the general terms of the McKinley act. The result of those treaties with this group of tropical countries, producing the class of articles which the United States requires and does not produce in sufficient quantities at home, was that our exports to those countries and islands increased 26 per cent and our imports from them increased 28 per cent between 1890, the year of the enactment of the McKinley law, and 1894, the year in which it was repealed by a Democratic Congress and a Democratic President, and reciprocity thus destroyed. During that same period our exports to all other countries than those above named increased 3 per cent. and our imports from them decreased 27 per cent.

#### THE HAWAIIAN TREATY.

Another example of reciprocity, that with countries producing the class of articles which we require and importing the class which we produce and desire to export, was the reciprocity treaty with the Hawaiian Islands. That treaty went into effect September 9, 1876, and terminated April 30, 1900. During that period of the existence of that agreement, our exports to the Hawaiian Islands grew from \$779,257 in the fiscal year 1876 to \$13,509,148 in the fiscal year 1900, while imports from the Hawaiian Islands of noncompeting articles demanded by our markets—tropical products—increased from \$1,227,191 in 1876 to \$20,707,903 in 1900. Thus by taking from this tropical country—Hawaii—its production of articles which we must import from some part of the world, we built up in the Hawaiian Islands a market for our merchandise seventeen times as large as in 1876, the year in which the reciprocity agreement was made; while in the brief period in which reciprocity with the Tropics ex-

isted under the McKinley tariff law, our market in the countries in question was enlarged 26 per cent.

It will be seen from these illustrations, that the policy of reciprocity, as a part of the policy of protection, can be most largely extended in the direction of tropical countries, for their benefit as well as ours, but under the policy as declared and understood by the Republican party it can be extended to any country where mutual exchanges can be made "*without harm*" to our productions at home. Thus a reciprocity treaty with Canada if properly framed might be as desirable as one in different terms relating to a tropical country. On this question the Republican platform of 1904 says, "We favor liberal trade arrangements with Canada and with peoples of other countries where they can be entered into with benefit to American agriculture, manufactures, mining, or commerce."

The question of reciprocity with Cuba, already provided for, and which gives great promise of usefulness to this country and Cuba, is treated under the chapter relating to Cuba.

#### **Democratic View of Reciprocity.**

[From the Democratic platform of 1892.]

Section 4. Trade interchange on the basis of reciprocal advantages to the countries participating is a time-honored doctrine of the Democratic faith, but we denounce the sham reciprocity which juggles with the people's desire for enlarged foreign markets and freer exchanges, by pretending to establish closer trade relations for a country whose articles of export are almost exclusively agricultural products, with other countries that are also agricultural, while erecting a custom-house barrier of prohibitive tariff taxes against the richest countries of the world, that stand ready to take our entire surplus of products, and to exchange therefor commodities which are necessities and comforts of life among our own people.

[From the Democratic Campaign Book, Congressional Election 1902.]

Reciprocity looks like free trade, but tastes like protection. It is really a new sugar-coating prepared by the Republican tariff doctors for many patients who are refusing to take their protection pills straight.

In practice, reciprocity is worse than protection.

Ordinarily protection is not quite prohibitory, and, incidentally, yields some revenue to the government. Reciprocity cuts off much of this revenue without conferring any equivalent benefit upon the nation. It does, however, as will be shown, give special privileges to a somewhat different class from that which pockets most of the benefits of straight protection. \* \* \*

In theory, reciprocity, like protection, thinks only of the producer, and never of the consumer. It assumes that the seller is the only one benefited by an exchange of products. It does not propose to lower our tariff wall by the fraction of an inch. It proposes to punch vent holes in the walls to save it from destruction. It will permit certain quantities of certain articles to pass through these holes, but never enough to let in all of any one product. To do this would benefit consumers and spoil the game of the protectionists. \* \* \* Reciprocity cares nothing for the consumer and hunts foreign markets with a club. Its stock in trade is high tariff, favoritism, discrimination, and retaliation. It threatens to slam our doors in the face of foreign countries which will not open their doors to our products.

Reciprocity is based upon the same false theories as is protection, and, like protection, is a sham and a humbug, and to most people has been, and will ever continue to be, a delusion and a snare.

#### **Effect of Tariff Agitation.**

Tariff agitation and threats of reduction of tariff are frequently as harmful as tariff reduction, in proportion at least to their duration. The uncertainty on the part of the purchaser as to the prices at which he can obtain his goods from abroad leads him to curtail his orders from the home producer, while in turn the home producer is unable to fix prices because of the uncertainty as to



the cost of the material which he imports for use in his manufactures, and is also unable to determine to what extent foreign merchandise will compete with that which he produces. The results of these conditions are *necessarily a check in manufacturing from the moment that manufacturers know or have reason to believe that a change is to be had in the tariff*. This check is immediately felt not alone in the reduction of employment but in the reduction in the purchases of material used by the manufacturer, and in a reduction of the purchases of food, clothing, and other supplies by the employees whose earnings are thus reduced. This in turn is felt by the farmers and producers of raw material and foodstuffs, and their purchases are in turn curtailed and the sales of the merchant and manufacturer thus reduced. As a result of these come reductions in the earnings of transporters whose expenses can not be curtailed in proportion to the reduction of their receipts, since their trains must be kept running at regular intervals, and with this comes disaster to these great interests and to those dependent upon them. The immediate and disastrous effects of a threat of tariff reduction as a result of the uncertainty in prices and conditions which followed the announcement that the tariff policy of the United States was to be reversed are shown in the disasters which immediately followed the election of a free-trade President and Congress in 1892. This election of President Cleveland and of a Democratic majority in both branches of Congress occurred in November, 1902, and by the beginning of 1903 manufacturers and those dependent upon them realized that a radical change in the tariff awaited them. As a result, the business failures, which amounted in number to 10,304 in 1892, were 15,242 in 1893, and their liabilities, which in 1892 were 114 million dollars, were in 1893 346 millions. Money in circulation fell from 1,601 million dollars in 1892 to 1,596 millions in 1893, and the per capita from \$24.56 in 1892 to \$24.03 in 1893. Bank clearings, which were 60,883 million dollars in 1892, dropped to 58,880 millions in 1893: deposits in savings banks fell from 1,753 million dollars in 1892 to 1,556 millions in 1893; and railroads placed under receiverships increased from 10,508 miles in 1892 to 29,340 miles in 1893. All of this, be it remembered, occurred in the single year, 1893, before a line of the free trade legislation had been placed upon the statute books, but during a period when the entire business interests of the community were compelled to suspend operations largely by reason of the uncertainty as to what the extent of that tariff legislation would be.

#### Abraham Lincoln on the Tariff Question.

Abraham Lincoln had clearly defined views on the tariff question. He was a protectionist. He believed that American consumers should patronize American producers and thus build up and develop the great home market, and in so doing assure themselves not only domestic prosperity but lower prices and a smaller loss of labor applied in transportation. "A tariff of duties on imported goods so adjusted as to protect American industry is indispensably necessary to the American people" was the form in which he expressed his sentiments in resolutions offered at a Whig meeting at Springfield, Ill., March 1, 1843.

In an address to the people of Illinois issued three days later and bearing his name he said:

"By the tariff system the whole revenue is paid by the consumers of foreign goods, and those chiefly luxuries and not the necessities of life. By this system the man who contents himself to live upon the products of his own country pays nothing at all. And surely this country is extensive enough and its products abundant enough to answer all the real wants of its people. In short, by this system the burden of revenue falls almost entirely on the wealthy and luxurious few, while the substantial and laboring many who live at home and upon home products go entirely free."

In some tariff memoranda written by Mr. Lincoln after his election to Congress but before taking his seat in that body in 1847 he said:

"I suppose the true effect of duties upon prices to be as follows: If a certain duty be levied upon an article which by nature can not be produced in this country—as 3 cents a pound upon coffee—the effect will be that the consumer will pay 1 cent more per pound than before, the producer will take 1 cent less and the merchant 1 cent less in his profits; but if a duty amounting to full



protection be levied upon an article which can be produced here with as little labor as elsewhere—as iron—that article will ultimately and at no distant day, in consequence of such duty, be sold to our people cheaper than before, at least by the amount of the cost of carrying it from abroad.”

In another memorandum on the tariff question, written just before taking his seat in Congress, Mr. Lincoln said:

“To secure to each laborer the whole product of his labor, or as nearly so as possible, is a worthy object of any good government. Will the protective principle advance or retard this object? The habits of our whole species fall into three great classes—useful labor, useless labor, and idleness. It appears to me that the labor done in carrying articles to the place of consumption which could be produced in sufficient abundance and with as little labor at the place of consumption is useless labor. Iron and everything made of iron can be produced in sufficient abundance and with as little labor in the United States as anywhere else in the world; therefore all labor done in bringing iron and its fabrics from a foreign country to the United States is a useless labor. The same precisely may be said of cotton, wool, and of their fabrics. The raw cotton grows in our country, is carried by land and water to England, is there spun, wove, dyed, stamped, etc., and then carried back again and worn in the very country where it grows, and partly by the very persons who grew it. Why should it not be spun, wove, etc., in the very neighborhood where it grows and is consumed and the carrying thereby dispensed with?”

Mr. Lincoln's suggestion fifty-seven years ago that the protective principle should be applied in the development of our iron and cotton industries has been fully justified by subsequent events. In that year (1847) the pig iron production of the United States amounted to 800,000 tons. By 1870, ten years after the election of the first Republican President, pig iron production had reached 1,665,000 tons; by 1880 it was over 4,000,000 tons; by 1890 over 9,000,000 tons; in 1900 over 13,000,000, and in 1903 over 18,000,000 tons. Meantime the price had fallen from \$30.25 per ton in 1847, the year in which Mr. Lincoln expressed these sentiments, to \$15 per ton in 1904, or less than one-half the price when he predicted that home manufacture would reduce prices. In cotton manufacturing his prediction has been equally justified. The cotton mills of the United States in that year took 1,858,000 bales of domestic cotton for manufacture. Under the protective system here advocated by Mr. Lincoln the consumption has grown to over 4,000,000 bales in 1902, and the price of standard prints, a staple article of cotton manufacture, has fallen from 10 cents per yard in 1847 to 5 cents per yard in 1903, as shown by official figures of the Bureau of Statistics.

President Lincoln's views on the tariff were often expressed in his quaint but always forceful method. “The tariff question,” he said to a Pittsburg audience on February 15, 1861, “is as durable as the Government itself. It is a question of national housekeeping. It is to the Government what replenishing the meal tub is to the family. So far there is little difference among the people. It is as to whether and how far duties on imports shall be adjusted to favor home production in the home market that controversy begins. \* \* \* I have long thought that it would be to our advantage to produce any necessary article at home which can be made of as good quality and with as little labor at home as abroad, at least by the difference of the carrying from abroad.”

On another occasion Mr. Lincoln is quoted as saying:

“I am not posted on the tariff, but I know that if I give my wife twenty dollars to buy a cloak and she buys one made in free-trade England, we have the cloak, but England has the twenty dollars; while if she buys a cloak made in the protected United States, we have the cloak and the twenty dollars.”

#### **British Views of American Protective Tariffs.—Growing Probability of Protection in the Last Stronghold of Free Trade.**

That the protective system, as exemplified in the United States, is finding favor in the last stronghold of free trade (England) is well known. Mr. Chamberlain, the former secretary of state for the colonies, has resigned from the cabinet to lead the fight in favor of protection, and Premier Balfour has written a pamphlet openly advising the abandonment of free trade. Liberal extracts from the expressions of these and other English statesmen and writers are published in the document “Pages from the Congressional Record,” especially in the speeches of

Representatives Dick, McCleary, and Olmsted. A study of all of these speeches and of the others published in this document will prove of great value both to speakers and editors, as they contain much matter which can not be inserted in a textbook.

Among the views of representative Englishmen on the American tariff and its results attention is especially called to those of the Moseley Tariff Commission. This commission, composed of officers of the labor unions of the United Kingdom, was brought to the United States in 1902 by Mr. Alfred Moseley, a distinguished British manufacturer interested in the prosperity of English labor as well as English industries. The commission visited all of the great manufacturing centers, occupying several months in its studies, and on its return to England issued an elaborate report. This was made up in part of special reports by each member of the commission upon conditions in his particular branch of industry, but each member was also required to answer certain specific questions regarding the general conditions of labor in the United States. These reports and replies are a striking testimonial to the protective system of the United States. A summarization of them will be found in the speech of Representative Olmsted, above alluded to, and should be carefully studied.

The following is a letter published in the London Times by Mr. Moseley, the head of the commission, shortly after his return, and it is followed by an extract from his report which occupied the opening pages of the general report of the commission; also by extracts from a report of the British Iron and Steel Commission, which visited the United States in 1902.

**Mr. Alfred Moseley's Letter to the British Public on Conditions in the United States and Their Relation to the Protective Tariff.**

To the Editor of the London Times.

Sir: I find on my return to England that there is a vast amount of curiosity on the part of the public as to how Mr. Chamberlain's proposals are viewed by the mercantile community on the other side of the Atlantic.

Of course, they realize that a tariff imposed upon our imports would not be to their advantage; nevertheless they do not allow their judgment to be warped by the consideration of their own personal interests, and I found on all sides but one comment, amounting practically to "Why has it not been done before? We could never see the utility of allowing other nations to dump their surplus products on the market and put one's own people out of work." This was the opinion of every business man with whom I conversed, with the exception only of Mr. Carnegie.

The subject of our tariff reform movement is as interesting to the people of the United States as it is to ourselves, and is continually discussed in the newspapers and forms the topic of endless debates in their universities and societies. Nowhere have I heard it condemned as being impractical. Their authorities on political economy, with many of whom I discussed the subject, one and all agreed that it is the only course open to England in view of the conditions that have arisen since she adopted free trade; amongst whom I may name Mr. John H. Gray, professor of economics at Northwestern University, Chicago, who expressed wonder that there should be any opposition to Mr. Chamberlain's scheme except from "cranks" and people incapable of moving with the times. Professor Gray, I may state, is considered in the United States as a high authority, and he was chosen two years ago by their Government to come to this country to investigate labor conditions here. The results of his inquiries are to be published shortly by Commissioner Carroll D. Wright of the United States Labor Bureau.

Whilst I was in America I read a report of a speech by Lord Goschen, in which he stated that whilst we were about to adopt protection the United States was tending entirely in the opposite direction, towards the removal of tariffs. No one, of course, doubts his sincerity in making this assertion, but it shows how lamentably he is out of touch with conditions as they are. The tariff question there is absolutely a closed book; all that the people of the States ever propose to discuss is whether perhaps they are not taxing themselves unnecessarily in certain industries by the high tariff that exists, and there is a disposition in some sections of the community (although even these are not very large) to make a revision of the tariff by reducing the duty on certain articles; but nobody dreams for a single instant that such reduction should be sufficiently large to allow the foreigner to come in and compete with them, lowering the standard of wages and injuring industry. The workman of the United States is quite sufficiently alive to his own interests to keep this matter always before him, and no presidential candidate would have the smallest chance of election if he proposed to attempt anything in the way of tariff reform likely to lower the standard of living and affect the wage-earning power of the American workman.

Yours, faithfully,

A. MOSELEY.

London, E. C., December 22, 1902.



## UP-TO-DATE METHODS OF PROTECTION.

Mr. Moseley himself, on the opening page of the report, says:

In my travels round the world, and more particularly in the United States, it became abundantly evident to me that as a manufacturing country America is forging ahead at a pace hardly realized by either British employer or workman. I therefore came to the conclusion that it would be necessary for the workers themselves to have some interest in these developments, and I decided to invite the secretaries of the trades unions representing the principal industries of the United Kingdom to accompany me on a tour of investigation of the industrial situation across the Atlantic. \* \* \*

In my previous trips to America I had been favorably struck by the up-to-date methods of protection there, both from a business standpoint and as regards the equipment of their workshops. The manufacturers there do not hesitate to put in the very latest machinery at whatever cost, and from time to time to sacrifice large sums by scrapping the old whenever improvements are brought out. Labor-saving machinery is widely used everywhere and is encouraged by the unions and welcomed by the men, because experience has shown them that in reality machinery is their best friend. It saves the workman numerous miseries, raises his wages, tends toward a higher standard of living, and, further, rather creates work than reduces the number of hands employed. In England it has been the rule for generations past that as soon as a man earns beyond a certain amount of wages the price for his work is cut down, and he, finding that working harder and running his machine quicker brings no larger reward, slackens his efforts accordingly.

In the United States the manufacturers rather welcome large earnings by the men so long as they themselves can make a profit, arguing that each man occupies so much space in the factory, which represents so much capital employed, and therefore that the greater the production of these men the greater must be the manufacturer's profit. \* \* \* The United States has advanced by leaps and bounds. She is beginning to feel the beneficial effects of the education of her masses and an enormous territory teeming with natural resources as yet but meagerly developed. At the present time the home market of the United States is so fully occupied with its own developments that the export trade has as yet been comparatively little thought of; but as time goes on and the numerous factories that are being erected all over the country come into full bearing, America is bound to become the keenest of competitors in the markets of the world. \* \* \*

How is it that the American manufacturer can afford to pay wages 50 per cent, 100 per cent, and even more, in some instances both ways, and yet be able to successfully compete in the markets of the world? The answer is to be found in small economies which escape the ordinary eye. That the American workman earns higher wages is beyond question. As a consequence, the average married man owns the house he lives in, which not only gives him a stake in the country, but saves payment of rent, enabling him either to increase his savings or to purchase further comforts. Food is as cheap (if not cheaper) in the United States as in England, whilst general necessities may, I think, be put on the same level. \* \* \* It is generally admitted that the American workman, in consequence of labor-saving machinery and the excellence of the factory organization, does not need to put forth any greater effort in his work than is the case here, if as much. He is infinitely better paid, therefore better housed, fed, clothed, and, moreover, is much more sober.

Under such conditions he must naturally be more healthy. \* \* \* Fuel and raw material are much the same price in the United States as in Europe, and it therefore can not be claimed that she has very much advantage on this; but facilities for transport, both by rail and water, are undoubtedly better and cheaper. \* \* \* In the United States one hears a great deal against "trusts" (as they are known, or what we term "large corporations"), but personally I am rather inclined to welcome these concerns, because large organizations that employ capital are best able to compete in manufactures on the most economical lines, can fearlessly raise wages within given limits, are in position to combat unhealthy competition, can provide up-to-date machinery ad libitum, can erect sanitary and well-ventilated workshops, and generally study better the comfort and well-being of the workmen than small individual manufacturers struggling against insufficient capital and old machinery. It is in the organization of capital on the one hand and a thorough organization of labor on the other that I believe the solution of industrial problems will be found.

## GREAT PROGRESS IN MANUFACTURING IN THE UNITED STATES.

The report of the Moseley Industrial Commission closes with a general statement, entitled "Progress in Manufacture in the United States at the End of the Nineteenth Century." It begins by calling attention to the fact that manufactures, which formed in 1875 but 16½ per cent of the exports of domestic merchandise, formed in the period 1899-1901 29½ per cent of the exports of domestic merchandise. It also calls attention to the fact that the growth of exports of manufactures from the United States from 1889 to 1901 has been much more rapid than the growth of manufactures exported from the United Kingdom, and says:



Comparison between detailed headings in the trade accounts of the two countries is probably somewhat unsafe, but some idea of the prospect of the United States becoming a greater exporter than this country—the United Kingdom—may be gathered by noticing that the values of machinery exported as well as that of the total exports of iron and steel manufactures, which were both, five years ago, less than a quarter of the corresponding values in this country, amounted at the end of the century to more than half those values.

It also calls attention to the fact that the production of pig iron grew from 4,000,000 tons, average, in 1884 and 1885, in the United States to 13,705,000 tons in 1889-1900, while that of the United Kingdom only grew from 7,614,000 tons to 9,191,000, and that the growth in production of steel in the United States was even more rapid.

It also calls attention to the growth of the tin-plate industry in the United States, saying:

Previous to 1890 the United States produced practically no tin plates and sheets, and the industry owes its existence almost wholly to the protective tariff placed upon these goods in 1890, which became operative on July 1, 1891. The growth of the industry since that date has been very remarkable and has resulted in this country (the United Kingdom) to a large extent losing its best customer. \* \* \* Much of our loss, due to the closing of the American markets against us, has been made good by markets having been found elsewhere; but, in spite of this, the blow to the trade has been very severe.

In closing the general discussion, the report says:

Before concluding, it may be as well to suggest, briefly, the causes that have contributed to the enormous expansion of manufacturing industries in the United States. This is not the place to discuss in detail the causes which may be credited as political. That a certain proportion of the growth of the manufacturing industries of the United States is attributable to the direct action of government, and especially to the operation of the tariff, is obvious, and, indeed, has been referred to incidentally in discussing the growth of tin-plate manufacture in the United States.

A word, however, may be said as to the causes of growth which depend on the natural advantages possessed by the United States and the personal characteristics of her citizens. Under the first head come the enormous coal resources of the United States, coupled with the rich deposits of iron ore. Under the second comes a whole group of characteristics, which to a large extent evade statistical analysis. There is, first, the readiness of the manufacturer to adopt, and of the workman to accede to, the use of labor-saving devices. Allied to this is the largeness of scale, with its resultant economies, with which manufactures are conceived and carried on. For further details of this report see speech of Representative Olmsted in document "Pages from Congressional Record."

#### **Report of the Commission of the British Iron Trade Association.**

Another tribute to protection is paid by another representative commission from England which visited the United States in 1902, namely, the commissioners appointed by the British Iron Trade Association to inquire into the iron, steel, and allied industries of the United States. This commission, which visited the great iron manufacturing centers of the United States, presented an elaborate report, forming a volume of nearly 600 pages. It contains reports on all features of the iron and steel production, including the supplies of ore and coal, freights, labor conditions, hours of work, strenuousness of labor, cost of production, organization and administration in industrial affairs, transportation systems, the great corporations, and other work in iron and steel production, and many other kindred subjects. Throughout this elaborate report the writers point to the advantageous conditions existing in the United States, the higher prices paid for labor, the better conditions of the laboring men than those of their own country (England), and the wonderful prosperity which has come to the iron and steel industry in the United States, where, in the words of the secretary of the commission, Mr. J. Stephen Jeans, "In no country has protection been adopted in such a whole-souled manner. In no other country have the shibboleths of free trade been more emphatically held at arm's length."

Commenting upon the remarkable development in the United States in this industry, Mr. Jeans says:

The cost of production of iron and steel is made up of three main elements—raw materials, labor, and transportation. No one of these matters can properly be dealt with unless in relation to the others. Raw materials, however cheap and abundant, are of

little value as a basis of industrial prosperity without cheap transport and labor at a reasonable cost. Similarly, cheap labor is of little value without adequate supplies of raw materials of the right kind plus a reasonable rate of charge for transport. The interrelation of these three subjects has made it necessary to devote much space to all three of them in this report. Labor is perhaps the most fundamental of the trio, because in one form or another the ultimate cost of all commodities is mainly that of labor. In the United States, paradoxical as it may appear, we have to face conditions that make at once the dearest and the cheapest labor that is probably to be found in any part of the world—dearest with respect to nominal remuneration, the cheapest with respect to industrial and economic results.

It is the purpose of the following pages to demonstrate how American ironmasters and engineers have been able to so discipline and apply the labor at their command as to reconcile high wages with cheap production in a degree not hitherto attained elsewhere. \* \* \* The influence of trades-unionism is not nearly so strong nor so aggressive in the United States as in Great Britain. \* \* \* The almost absolute freedom of labor has been the chief instrument whereby it has won such conquests in the field of industrial economy during the last quarter of a century. In all countries industrial processes have been greatly cheapened during that period, but in America the cheapening appears to have been carried farther than anywhere else. Within that time a wire-rod roller has seen his earnings per ton reduced from \$2.12 to 12 cents, and yet he earns larger wages at the lower figure, while 5 cents are paid to-day for heating billets to make wire rods against 80 cents during the period referred to. \* \* \* Wages, in short, are generally so good and the men have their futures so much in their own hands that they have every encouragement to do the best they can both for their employers and for themselves. The human factor and the personal equation appear to count in the United States for more than they generally do in Europe. Workmen appear to enjoy a larger measure of independence, based on a knowledge of the fact that work is more easy to obtain than in older countries, and they are able as a rule to save money and are therefore less dependent than when living, as is not unusual in Europe, from hand to mouth, and that they are living under a political regime which is founded on democratic principles.

#### RELATIONS BETWEEN EMPLOYERS AND EMPLOYED.

Two features of the relations of employers and employed may be named as exercising a powerful influence on the amity of their connections: First, the encouragement and reward of workmen's inventions, and second, the readiness with which workmen of exceptional capacity can themselves become employers and capitalists. \* \* \*

The vast scale of operations is a feature of American works that can not be paralleled elsewhere. The total number of hands employed at Homestead is over 7,000, and the capacity of output of steel something like 2,000,000 tons a year. One individual customer takes 1,000 tons a day of this output, and all the other operations are on a similarly colossal scale. This fact enables the management to spread the standing charges over a large output in such a manner as to bring them down to a percentage of total cost of which probably no European works has any experience. \* \* \*

The commissioners naturally found that the influence of the corporation was almost all-pervading in certain districts, and that its future policy and its financial issues were regarded from very different aspects and with very different ideas by different observers. The United States Steel Corporation, in the opinion of the majority, has come to stay. As it controlled nearly two-thirds of the total iron ore, coke, pig iron, and steel capacities of the United States at the time of its organization, it is natural that it should be looked to as the leader of all movements of prices and wages, and the prominent part which it took in the settlement of the important labor dispute of 1901 supplied an evidence, if any were needed, that it means to use its power and influence when occasion demands that it should do so. At the same time, there is reason to believe that its power is not relatively increasing—in other words, that the production of iron and steel controlled by independent concerns, or likely to be so in the near future, is or will be greater than that at the time of the consolidation.

#### THE STEEL TRUST.

It is natural that both here and on the other side of the Atlantic the vast influence and the commanding position secured by the United States Steel Corporation should have induced a degree of apprehension lest smaller plants may be swamped, and both production and price become largely a matter of monopoly. This is not, however, the opinion of the best-informed and most far-seeing men with whom I have had the opportunity of discussing the situation in the United States. That private enterprise in that country is not afraid of the steel corporation is made evident by the unprecedented activity that is being displayed in the establishment of new independent plants while I write. In every part of the United States plants are entering the lists to compete against the steel corporation, and the capacity of the private plants opposed to it to-day is probably considerably greater than it was at the time it was founded, although that was only February, 1901. A recent writer has accurately noted that small plants well located and economically managed are remarkably tenacious of life. It has also been observed that the best returns on American capital during the period known as the "lean years" were not generally those of the largest enterprises, but those of a few smaller firms, and those in some cases outside the range of what are known as "the cheap centers."



## THE TIN PLATE INDUSTRY AND ITS DEVELOPMENT.

The British Iron and Steel Commission after its visit to the United States in 1902 devotes a chapter of its report to a discussion of the tin-plate industry in the United States, and begins by saying:

The tin-plate industry is one of the most recent in the United States and has been built up on the McKinley tariff of 1890, which levied a duty of 2½ cents per pound on all tin plate imported into the country and practically caused the customs to claim as much on imports into the United States as the price of the product at works in the principality.

At the time the McKinley tariff came into force there was practically no tin plate manufactured in the United States, and the imports of that commodity ranged from 300,000 to 400,000 tons a year. In the following year the home production was only 552 tons, and the imports of British tin plates were 327,882 tons. Since then the American production has increased year by year, while the American imports have as rapidly declined. In 1900 the total American output of tin plates exceeded 400,000 tons, and the imports had fallen to only 58,000 tons, or about a sixth part of what they were in 1890.

The following table shows the British exports, American imports, and American output of tin plate for the last thirteen years:

Year.	Exports from Great Britain to all countries.	Imports into United States of America.	American production.
	Tons	Tons.	Tons.
1889.....	430,623	331,311	.....
1890.....	421,797	329,435	.....
1891.....	448,732	327,882	552
1892.....	395,580	268,472	18,803
1893.....	379,233	253,155	55,182
1894.....	354,081	215,068	74,260
1895.....	365,082	219,545	113,666
1896.....	266,955	119,171	160,362
1897.....	271,230	83,851	256,598
1898.....	250,953	67,222	326,915
1899.....	256,629	58,915	397,767
1900.....	273,954	60,386	302,665
1901.....	171,657	.....	.....

The imports of the past three or four years have been confined almost entirely to tin plates, which are reexported in the shape of cans containing oil, fruit, fish, etc. By the terms of the Dingley law 99 per cent. of the duty originally placed on such tin plate is refunded by the Government on its reexport. \* \* \* \*

It seems to be pretty certain from the available records that whatever "virtual monopoly" of the tin-plate trade the steel corporation may have possessed when it was founded, or whatever the amount of control exercised over the trade at an earlier date by the American Tin Plate Company, competitive concerns have increased largely and rapidly, until the twenty-six tin-plate works under the control of the steel corporation are less than one-half of the whole number. While, therefore, the action of that consolidation can not be regarded as unimportant in the affairs of the tin-plate trade, it is not likely to be all important, as it would have been while independent concerns were less numerous.

The number of completed tin-plate works in the United States at the end of 1901 was fifty-five, compared with sixty-nine in April of 1898, and the same number at the end of 1895. Hence the number of existing works at the end of 1901 was less than that of either of the two previous periods. But the amount of enterprise being shown at the end of 1901 in adding to the productive capacity of American tin-plate plants was greater than at either of those previous dates. Mr. Swank's figures show that at the end of 1901 no fewer than seven new tin-plate works were in course of construction, against one in April, 1898, and four at the end of 1895. Of the new works being built at the end of 1901, three were in Pennsylvania, two in West Virginia, one in Ohio, and one in Wisconsin, while one other was at that time projected in Illinois. The aggregate capacity of the whole of the tin-plate works of the United States is not quite known, but it is computed at over 700,000 tons, which is a good deal in excess of any actual output hitherto reached in the United Kingdom. \* \* \* \*

In considering the tariff of the United States from the point of the influence on British industry, we can not ignore the possible example that it has set to other nations and which in the future it may conceivably offer to our own. We need not discuss this point at any length. It would be unsatisfactory to attempt to discuss it from a purely controversial standpoint. But it is at least permissible to point out that not a few leading manufacturers have expressed dissatisfaction with a condition of things that enables other countries to enter British markets without let or hindrance while excluding us from their own, and under which Britain is steadily increasing her imports of foreign manufactured goods, while leading statesmen have pointed out that this country, having by its economic policy given a practical sanction to this system of unrestricted imports, has no equivalent to offer in commercial negotiations with other nations.



## THE BRITISH POINT OF VIEW.

From the British point of view the main interest in and the chief effect of the United States tariff takes two forms—that of excluding our products from the markets of that country and that of underselling us in our own. As regards the former, the fact is so well known that I need not pile up figures to prove it. Suffice it to say that our total iron and steel exports to the United States are now only about one-fifth of what they were ten years ago, although even now the tariff does not entirely shut out European iron and steel, seeing that pig iron and billets are being imported from Europe while I write. \* \* \*

I may here point out that while Great Britain, according to the official records of the United States, took from that country an average of more than \$500,000,000 worth of merchandise during the last four years, the average imports of British produce into the United States have not exceeded one-third of that figure, while of that one-third from one-half to two-thirds are subject to more or less prohibitory duties. This is not a trade relationship which the people of this country can regard with perfect equanimity. Americans can hardly be surprised if in Great Britain there is an increasingly strong impression that in matters of commerce our American friends, like the Dutch described by Hudibras, have a habit of "giving too little, and asking too much."

## EFFECT OF THE TARIFF ON PRICES.

The Americans generally dispute the argument that a tariff for protection tends to keep up prices to the home consumer, and in support of their attitude on this subject they point to the fact that the prices of coal, iron, steel, and other commodities are and have been materially lower in the United States than in Great Britain. This view opens up questions of vast range, which it would take much space to handle. The other side of the argument obviously is that prices of commodities in the United States have declined, not because but in spite of the tariff. \* \* \*

At the same time it is by no means clear that a high tariff does necessarily involve a high range of prices in the protected country, and in the United States within the last few years prices have touched a very low level in spite of the tariff. Take as a case in point the statistics of steel rails. When the steel-rail industry was begun in the United States, in 1867, the rate of duty on imports was 45 per cent. ad valorem. This rate was continued until 1871, when it was made a specific duty of \$28 per ton, which was reduced to \$17 per ton in 1883, to \$13.44 in 1890, and to \$7.84 in 1894, at which figure it has since been maintained. In spite of these duties, however, the average price of steel rails in the United States fell from \$28 in 1897 to \$17.62 in 1898, and in the latter year the average American price was probably under the average of any other country.

## EFFECT OF THE TARIFF ON INDIVIDUAL CONCERNS.

Many hold that the tariff has mainly been responsible for the great fortunes made by the typical millionaire, and the case of Mr. Andrew Carnegie is often quoted as a conclusive proof of this theory. I should not have dealt with an individual example in this connection but for the fact that it stands out so prominently in the recent history of the American iron trade as to make it almost impossible to ignore it in the consideration of this phase of the question. Moreover, I have had the privilege on more than one occasion of comparing notes with Mr. Carnegie and of knowing something more of the facts than "the man in the street"; and while I would not, of course, make use of any of the facts and figures brought to my knowledge in this way, I am quite at liberty to deal with facts that are common property in the light of the aspects thus presented.

Everyone who makes any pretensions to a knowledge of the recent history of the American iron and steel industries must be fully aware that during one of the most critical periods in its career the operations of manufacturing firms, and not the least so those engaged in the steel-rail industry, were not uniformly successful. In the years 1896-1898 the principal firms connected in the American rail industry were the Carnegie Steel Company and the Illinois Steel Company, afterwards merged in the Federal Steel Company. But it is a well-known fact that over a large part of this period the Illinois Company failed to make profits, while the Carnegie Steel Company did remarkably well. The difference of results is mainly, if not wholly, due to differences in location, resources, and administration, and it is hardly likely to be claimed that the tariff was the cause of those differences, since its influence equally affected both. No doubt in the earlier history of the rail trade profits were large, but on a relatively small product, for in 1875, when the Carnegie Company started, the total American production of steel rails was only 259,000 tons.

## TRUSTS AND THE TARIFF.

In America the question has been many times raised of late whether there is not a large degree of interdependence between industrial combinations and tariff duties. On this subject the United States Industrial Commission recently reported:

"Protective tariffs do not seem to have been of special significance in the formation of industrial combinations in Europe, although in many cases the combination has been enabled to take advantage of the protective tariff in the way of securing higher prices. In free-trade England the combination movement seems

to have developed considerably further than in protectionist France; but, on the other hand, the movement toward combination has gone much further in extent in Austria and Germany, both protectionist countries, than in England, although in England the form of combination is generally more complete. Doctor Liefmann, in an article on combinations in England, expresses the opinion that the chief reason for the lesser development of monopolistic combinations in England and the continuation of severe competition in branches of industry in which in Germany there have existed for a long time very rigid combinations—for example, the coal industry—**ascribes the cause rather to the principle of extreme individualism in England, which has a much firmer hold on business men, in his judgment, than in Germany, and this appears, on the whole, to be the right conception.**"

## AMERICAN TARIFFS FROM 1789 TO 1897.

[From "Protection and Prosperity," by Geo. B. Curtiss, Binghamton, N. Y.]

### Dates of Passage and Operation with Salient Features and Consequences.

Act of July 4, 1789.—Went into effect August 10, 1789. Duties imposed upon 75 articles, 40 specific; 35 ad valorem; 15 free. Average rate on total imports  $7\frac{1}{2}$  per cent.

August 10, 1790.—Went into effect January 1, 1791. Imposed 50 new duties and increased many of previous year. Average rate on total imports 8 per cent.

March 3, 1791.—Slight increase—unimportant—rates increased on spirits. Average rate on total imports 8.43 per cent.

May 2, 1792.—Went into effect July 1, 1792. Over 150 articles were enumerated in this bill. General increase of  $2\frac{1}{2}$  per cent. Average rate on total imports 10.93 per cent.

June 5-7, 1794.—Went into effect July 1, 1794. Imposed additional duties and made slight increase in many existing. Increased rates on tobacco, snuff and refined sugar. Average rate on total imports 13.88 per cent.

January 29, 1795.—Rates changed on types, sugar and wines. Many changes, some reductions. Twenty-five articles on free list. Average rate on total imports 8.04 per cent.

March 3, July 8, 1797.—Increased rates on sugar, tea, molasses, velvets, cotton goods, candy. Average rate on total imports 9.25 per cent.

March 13, 1800.—Went into effect July 1, 1800. Increased rates on sugar and wines. Average rate on total imports 13.11 per cent.

March 26, 1804.—Went into effect July 1, 1804. Increased all ad valorem rates  $2\frac{1}{2}$  per cent. Increased rates on goods in foreign vessels 10 per cent. Additional rates on many specific articles. Mediterranean Fund. Average rate on total imports 13.06 per cent.

March 3, 1807; March 4, 1808.—Salt and copper, saltpetre and sulphur made free. Increased duties on brass, hats, iron, linen, wines and many other articles. Average rate on total imports 28.71 per cent.

Embargo Act passed in December, 1807, prohibiting all imports from England and France, repealed May 15, 1809.—This was not a tariff measure, but at the same time had the effect of stimulating many industries. The people of the United States were thrown entirely upon their own resources and the result was new industries established, and increased production in existing manufactures.

Act of July 1, 1812.—Went into effect same day. Known as the war tariff. All duties were doubled. Supplementary Acts, February 25, 1813; July 29, 1813; March 3, 1815; February 5, 1816. Great activity in manufacturing due both to high duties and the war. Average rate on all imports 32.73 per cent.

Act of April 27, 1816.—Went into effect July 1, 1811. Known as the Lowndes-Calhoun bill. War rates were considerably reduced. Ad valorem duties ranged from  $7\frac{1}{2}$  to 33 per cent. Unenumerated goods paid 15 per cent. Iron and other metals 15 per cent. Woolen goods 25 per cent. Minimum principle adopted. Intended as a protective measure but failed because of duties being too low to prevent vast importations from England at less than cost prices. Average rate on all imports 26.52 per cent.

April 12, 1818.—Rates changed on Iron and Alum.

March 3, 1819.—Rates on certain wines reduced. Average rate on all imports 35.02 per cent.

Act of May 22, 1824.—Went into effect July 1, 1824. Decided increase in duties with most significant and gratifying results. Average rate on all imports 37 per cent.

Act of May 19, 1828.—Went into effect September 2, 1828, and July 1, 1829. Known as the "Tariff of Abominations." Minimum extended. Rates increased. Average rate on all imports 47.80 per cent.

May 20, 1830.—Rates reduced on teas, coffees and cocoa and molasses.

July 14, 1832.—Went into effect March 4, 1833. Known as the "Modifying tariff." Duties on iron reduced, on woollens increased.

Act of March 2, 1833.—Went into effect January 1, 1834. Known as the "Compromise Tariff." Rates reduced 10 per cent of all duties in excess of 20 per cent, etc., each alternate year till January 1, 1842, one-half the remaining excess of 20 per cent to be taken off on that date and the other half July 1, 1842. Linens, worsted goods, shawls and manufactures of silk made free. Average rate on all imports about 17 per cent.

July 4, 1836.—Rates reduced one-half on wines.



September 11, 1841.—Articles free and those paying less than 20 per cent to pay 20 per cent. Railroad iron reduced to 20 per cent.

Act of August 30, 1842.—Took effect immediately. General revision and increase of rates 50 to 75 per cent. A thoroughly protective measure. The result was a revival of industry and trade, followed by general prosperity.

Act of July 30, 1846.—Went into effect December 1, 1846. Known as the "Walker Tariff." General reduction of duties. Changes from specific to ad valorem rates, duties for revenue only. Effects of this tariff were most disastrous in spite of foreign war, famine and the discovery of gold.

Act of March 3, 1857.—Went into effect July 1, 1857. General revision and further reduction of duties. A culminating free-trade act, resulting in panic and commercial ruin. The worst period in the nation's history.

Act of March 2, 1861.—Went into effect April 2, 1861. Intended to raise the necessary revenue for government expenditures.

August 5, 1861.—First of the war tariffs, large increase in duties.

December 24, 1861.—Duties increased on sugar, tea and coffee.

July 14, 1862.—Went into effect August 2, 1862. Further increase of rates.

March 3, 1863; April 20, 1864; June 30, 1864; March 5, 1865; March 15, 1866, and July 28, 1866.—Bills changing and generally increasing duties.

Act of March 2, 1867.—Took effect immediately. Rates increased on wool and woollens giving great benefit to those industries.

February 24, 1869.—Rates increased on copper.

July 14, December 20, 1870.—General changes. Free list largely reduced. Duty of \$28 per ton on steel rails.

May 1, 1872.—Tea and coffee made free.

June 6, 1872.—Went into effect August 1, 1872. Reduction of 10 per cent. Increased free list.

June 22, 1874.—Revised statute, with slight and unimportant changes.

February 8, 1875.—Known as the "Little Tariff Bill." General changes.

March 3, 1875.—Took effect immediately. Rates increased on sugar. Repeal of 10 per cent reduction of act of June 6, 1872.

July 1, 1879.—Quinine made free.

July 14, 1880.—A few unimportant changes.

May 6, and December 3, 1882.—Repeals discriminating duty.

Act of March 3, 1883.—Went into effect July 1, 1883. Known as the Tariff Commission Bill. General revision, reductions and increased free list. Severe blow to wool industry.

Act of October 1, 1890.—Went into effect October 6, 1890. Known as the McKinley Bill, the most perfect tariff measure ever framed. Changes from ad valorem to specific rates. Enlarged free list. Sugar made free, a bounty being substituted. Reciprocity law. Unusual prosperity in all lines of industry. More men employed and at higher wages than ever before in the history of the nation.

Act of 1894.—Went into effect August 27, 1894. Known as the Gorman-Wilson Bill. Became a law without the President's signature. General reduction of duties. Wool put on free list. Great falling off in number of sheep. Increased importations of competing commodities to the detriment of American manufacturers. Great increase in national debt. Deficiency of revenue. Impairment of gold reserve, necessitating repeated bond issues. Decline in foreign trade. General depression in business throughout the entire country.

Act of 1897.—Went into effect July 24, 1897. Known as the "Dingley Act"—thoroughly protective and stated in its title that its purpose was to provide revenue for the Government and "to encourage the industries of the United States." It was followed by a revival of manufacturing, mining, agricultural and transportation industries, by a great increase in the general business of the country and increase in the exports of manufactures, large additions to the deposits in savings banks and an era of general prosperity.

#### Anti-Free Trade Data in England.

[From New York Tribune.]

A correspondent asks upon what data Mr. Chamberlain bases his demand for the abandonment of that free-trade system which was introduced to Great Britain as the consummate flower of business shrewdness, political wisdom and humane benevolence, and which has been maintained during half a century of marvellous growth and prosperity. Mr. Chamberlain points, then, to facts such as these:

That sixty years ago the United Kingdom was practically self-feeding, while to-day more than half its meats and more than two-thirds of its grains are of foreign origin.

That in 1840 it purchased from abroad only 23,000,000 hundredweight of food of all kinds while now it purchases 304,000,000 hundred weight.

That this change is by no means altogether because of the



increase of population, but also because of the decrease of home production. It sixty years the population has increased by 58 per cent, while the foreign food bill has increased by 1,180 per cent. Also in thirty years the area planted in wheat has decreased by 26 per cent, and that in vegetables has decreased by 14 per cent.

That the farm profits of the kingdom, which were nearly £47,000,000 a year before free trade, have been reduced under free trade to less than £15,000,000.

That of Great Britain's enormous import trade, so greatly boasted by free traders, one-half consists of food, drink and tobacco.

That the industrial imports of the kingdom are declining, having been £7 5s. a head in 1871-'75, and being now only £6 13s.

That during the last century, while exports have increased only from £2 9s. to £6 14s. a head, imports have at the same time increased from £1 19s. to £12 11s. a head.

That while the decennial increase of population was 15 per cent in 1821-'31 and 11¼ per cent in 1831-'41, before free trade, it was only 8 per cent in 1881-'91 and less than 10 per cent in 1891-1901, under free trade.

That these and other similar facts and figures indicate an unhealthy state of affairs, which must be remedied if hopeless decline of British greatness is to be avoided.

This last named is not a fact of statistics. It is a deduction made by Mr. Chamberlain and by those who take his view of the case. It is, however, scarcely denied by the free traders.

### DEMOCRACY AND PANIC PERIODS.

[From Philadelphia Press, July 13, 1904.]

All our worst panic periods have come, not after a free trade tariff actually adopted, but after Democratic success and free trade agitation. What has been worse in the memory of men now living than the terrible grinding years from 1875 to 1878, with the strike summer of 1877 between? These years followed a Democratic House, elected by a tidal wave in 1874. No turn of the tide came until the political tide turned.—The Press, June 28.

A wide range of our Democratic friends in various newspapers are worried over this paragraph. The panic of 1873, they aver, assert and reiterate, came out of a Republican sky. So it did. The Republican party was in full control when Jay Cooke & Co. put up its shutters in September, 1873.

This was a financial smash. A speculative craze brought a speculative crash. A gold crash had come in September, 1869, and recovery followed. A stock crash came in September, 1873. A crash in stocks may come without affecting general business. In 1901 there was a headlong fall in stocks, failures and liquidation, but the general trade of the country was not affected. In 1873, the mere failure of one great railroad system, not yet completed, need not have brought a long period of depression. Recovery should have followed.

It did not. In 1874 a Democratic tidal wave swept the country. Free trade was talked everywhere. The currency was attacked. The Democratic party allied itself in all the Western States with the greenback craze. Resumption was assailed. When the resumption act was passed by the Republican party it was attacked by the entire Democratic party. East and West it was denounced as "Sherman sham."

The Democratic party challenged confidence in the gold value of the greenback. It straddled. It nominated for President a free trader, though a hard money man, Tilden. It nominated for Vice-President a free trader and a soft-money man, Hendricks. Eastern Democrats favored a gold value for all currency, but attacked paper money. Western Democrats demanded more paper money. The party was divided as it is now and, as now, its new leaders in 1876 and in 1880, anxiously sought to persuade the public to forget the recent financial errors of the party.

From 1874 to 1878 this Democratic policy depressed all business and destroyed trade. The panic of 1873 had come and gone. The price of stocks recovered in the Winter of 1874. Trade picked up. Failures fell in amount to a normal year. After the election of a Democratic House in 1874 stocks fell and failures increased. As Democratic greenback agitation went on, opposed by Eastern Democrats, but urged West and South, as with free

silver, worse came. In 1877 shares went to their lowest point. In 1878 aggregate failures exceeded those of 1873. The total of liabilities has never been exceeded but once, in 1893, after the last election of Grover Cleveland.

Worse years than 1877 and 1878 the country has never known. They were years, as every one remembers, of the end of the greenback and the beginning of free silver, of agitation for Democratic free trade and its outspoken support by the Democratic party.

The Republican party in 1879 resumed gold payments and prosperity came when Bland and every other Democrat was predicting disaster. Democratic free trade was met by the assertion of Republican protection. In 1880 this was the chief issue, and when it was won prosperity came like a flood.

"No turn of the tide came until the political tide turned."

#### Tariffs and Revenues, 1790 to 1904.

*Years in which low tariffs and protective tariffs, respectively, have been in operation in the United States, showing the excess of expenditures or receipts of the Government in each year.*

[Compiled from official statements of the Treasury Department.]

Low tariffs.			Protective tariffs.		
Fiscal year—	Deficit.	Surplus.	Fiscal year—	Deficit.	Surplus.
1791.....		\$1,312,499	1813.....	\$17,341,442	} War period.
1792.....	\$4,599,909		1814.....	23,539,300	
1793.....		805,993	1815.....	17,246,744	
1794.....	865,917		1816.....		
1795.....	1,195,066		1825.....		\$16,480,630
1796.....		2,586,879	1826.....		5,983,640
1797.....		2,680,154	1827.....		8,222,575
1798.....		292,909	1828.....		6,827,198
1799.....	1,749,004		1829.....		6,369,087
1800.....		34,778	1830.....		9,643,574
1801.....		3,541,831	1831.....		9,702,008
1802.....		7,019,542	1832.....		13,289,004
1803.....		3,111,811	1833.....		14,578,500
1804.....		3,188,399	1843.....	3,549,791	10,930,874
1805.....		4,546,344	1844.....		
1806.....		6,110,753	1845.....		6,837,148
1807.....		8,043,868	1846 (half year).....		7,034,278
1808.....		7,999,249	1862.....	417,650,981	1,214,392
1809.....	2,507,273		1863.....	606,639,331	} War period.
1810.....		909,461	1864.....	621,556,130	
1811.....		6,244,594	1865.....	973,068,131	
1812.....	10,479,638		1866.....		
1817.....		13,108,157	1867.....		927,208
1818.....		1,566,543	1868.....		116,317,354
1819.....		3,091,370	1869.....		6,095,320
1820.....	444,685		1870.....		35,997,658
1821.....	1,276,173		1871.....		102,302,829
1822.....		5,231,996	1872.....		91,270,711
1823.....		5,834,036	1873.....		94,137,534
1824.....	892,489		1874.....	1,297,709	36,938,348
1834.....		3,164,365	1875.....		
1835.....		17,857,274	1876.....		9,397,379
1836.....		19,958,632	1877.....		24,965,500
1837.....	12,289,061		1878.....		39,666,167
1838.....	7,562,152		1879.....		20,482,449
1839.....		4,585,967	1880.....		5,374,253
1840.....	4,834,402		1881.....		68,678,864
1841.....	9,621,657		1882.....		101,130,658
1842.....	5,158,689		1883.....		145,543,811
1846 (half year).....		1,219,392	1884.....		132,879,444
1847.....	28,453,381		1885.....		104,393,626
1848.....	11,919,521	} War period.	1886.....		63,463,775
1849.....	12,778,001		1887.....		93,956,589
1850.....			1888.....		103,471,098
1851.....			1889.....		119,612,116
1852.....		2,644,506	1890.....		105,053,443
1853.....		4,803,561	1891.....		105,344,446
1854.....		5,456,563	1892.....		37,239,763
1855.....		13,843,043	1893.....		9,914,454
1856.....		18,761,886	1894.....	69,803,261	2,341,674
1857.....		6,714,912	1898.....	38,047,247	} War period.
1858.....		5,330,434	1899.....	89,111,560	
1859.....	27,327,126	1,330,904	1900.....		
1860.....	16,216,492		1901.....		
1861.....	7,821,276		1902.....		79,527,060
1862.....	25,173,914		1903.....		77,717,984
1895.....	42,805,223				91,287,376
1896.....	25,203,246				54,297,667
1897.....	18,052,455				



## THE PANIC OF 1893-94 WAS NOT DUE TO CROP FAILURES.

The assertion has been persistently made by the apologists for the Wilson-Gorman tariff that the general depressed financial and industrial conditions and shortage of money then existing were due to short crops in 1892, 1893, and 1894 and were not chargeable to the tariff law. This assertion, while absolutely untrue, is worthy of careful attention because of its misleading character and because of the fact that without investigation the statement appears plausible. It is possible to show, for example, that the corn crop of 1892 was 400 million bushels less than that of 1891; that the wheat crop of 1892 was 96 million bushels less than that of 1891, and that the oat crop of 1892 was 77 million bushels below that of 1891; and this statement unaccompanied by any other facts or figures might give some color to the claim that the depression of 1893 was due to some extent at least to the short crops in 1892. But a further examination of the figures of production for a term of years shows the absolute falsity of this assertion. The table given below shows the production, farm value, and value per bushel of corn, wheat, and oats in the United States from 1885 to 1903. It will be seen from an examination of the table that while it is true that the corn, wheat, and oat crops were less in 1892 than in 1891, they were in each case more than those crops in 1890. The corn crop of 1892 was 1,628,464,000 bushels, as against 2,060,154,000 bushels in 1891, and this is urged as one of the causes of the financial depression of 1893; but an examination of the table will show that the corn crop of 1890 was only 1,489,970,000 bushels, as against 2,112,892,000 bushels in 1889. As a drop of 623 million bushels in the corn crop of 1890 as compared with the preceding year caused no panic or financial depression in 1891, how can it be possible that a drop of 432 million bushels in 1892 was the cause of the panic in 1893? The same general line of facts holds good with reference to wheat and oats. While it is true that the wheat crop of 1892 was 96 million bushels below that of 1891, it is also true that the wheat crop of 1890 was 91 millions below that of 1889 and no panic ensued; and similar conditions are apparent with reference to the oat crop of 1890.

An examination of the column showing the average farm value per bushel of these crops, which accompanies the statement of quantity produced, is suggestive. This shows that the farm value per bushel of corn, which was 50.6 cents in 1890, practically 40 cents in 1891 and 1892, moved steadily downward until it reached 21.5 cents in 1896 under low tariff; that the farm value per bushel of wheat, which in 1890 and 1891 was above 83 cents, had fallen to 49 cents in 1894; and the farm value of oats, which in 1891 and 1892 was 31.5 cents per bushel, was 18.7 cents per bushel in 1896. *Production, farm value, and value per bushel of corn, wheat, and oats, 1885 to 1903.*

Year.	Corn.		Wheat.		Oats.	
	Total.		Total.		Total.	
	Production.	Farm value per bushel Dec. 1.	Production.	Farm value per bushel Dec. 1.	Production.	Farm value per bushel Dec. 1.
	Bushels.	Cents.	Bushels.	Cents.	Bushels.	Cents.
1885.....	1,936,176,000	32.8	357,112,000	77.1	629,409,000	28.5
1886.....	1,665,441,000	36.6	457,218,000	68.7	624,134,000	29.8
1887.....	1,456,161,000	44.4	456,329,000	68.1	659,618,000	30.4
1888.....	1,987,790,000	34.1	415,868,000	92.6	701,735,000	27.8
1889.....	2,112,892,000	28.3	490,560,000	69.8	751,515,000	22.9
1890.....	1,489,970,000	50.6	399,262,000	83.8	523,621,000	42.4
1891.....	2,060,154,000	40.6	611,780,000	83.9	738,394,000	31.5
1892.....	1,628,464,000	39.4	515,949,000	62.4	661,035,000	31.7
1893.....	1,619,496,131	36.5	396,131,725	53.8	638,854,850	29.4
1894.....	1,212,770,052	45.7	460,267,416	49.1	662,036,928	32.4
1895.....	2,151,138,580	25.3	467,102,947	50.9	824,443,537	19.9
1896.....	2,283,875,165	21.5	427,684,346	72.6	707,346,404	18.7
1897.....	1,902,967,933	26.3	530,149,168	80.8	698,767,809	21.2
1898.....	1,924,184,660	28.7	675,148,705	58.2	730,906,643	25.5
1899.....	2,078,143,933	30.3	547,303,846	58.4	796,177,713	24.9
1900.....	2,105,102,516	35.7	522,229,505	61.9	809,125,989	25.8
1901.....	1,522,519,891	60.5	748,460,218	62.4	736,808,724	39.9
1902.....	2,523,648,312	40.3	670,063,008	63.0	987,842,712	30.7
1903.....	2,244,176,925	42.5	637,821,835	69.5	784,094,199	34.1



**Coal Production and Consumption in Protective United States and Germany and Free-Trade United Kingdom from 1860 to 1902—Evidence of Much Greater Business Activity in the Protective Tariff Countries.**

This table shows the production and consumption in the two protective-tariff countries, the United States and Germany, compared with that in the one low-tariff country, the United Kingdom. Coal consumption is an important measure of manufacturing activity and growth, since it is the chief supply of power for manufacturing and transportation. It will be seen that the consumption of coal in the United Kingdom only increased about 44 per cent. from 1875 to 1902, while that of Germany increased about 200 per cent. and that of the United States nearly 500 per cent. The importance of these figures of coal consumption is very great as a measure of manufacturing activity. This statement of relative increase in consumption in the three countries is especially important because in most cases the figures of production only are shown, while the fact that the United Kingdom exports a large share of her coal production makes a comparison based upon figures of production misleading. It is the consumption which measures the activity in manufacturing, and these figures of consumption in the protective and free-trade countries, respectively, are worthy of careful attention.

*Coal production and consumption in the United Kingdom, Germany and the United States for the years named.*

Years.	United Kingdom.		Germany.		United States.	
	Product'n gross tons @ 2240 lbs.	Consump'n gross tons @ 2240 lbs.	Product'n metr. tons @ 2204.6 lbs.	Consump'n metr. tons @ 2204.6 lbs.	Product'n gross tons @ 2240 lbs.	Consump'n gross tons @ 2240 lbs.
1860.....	80,043,000		* 16,731,000	} No data.	14,440,000	14,494,000
1865.....	98,151,000		* 28,553,000		20,310,000	20,861,000
1870.....	110,431,000		* 34,003,000		32,863,000	33,051,000
1875.....	131,867,000	114,044,000	47,804,000	47,562,000	46,686,000	46,604,000
1880.....	146,819,000	123,190,000	59,118,000	57,002,000	67,998,000	67,855,000
1885.....	159,351,000	128,585,000	73,676,000	70,729,000	99,250,000	98,752,000
1890.....	181,614,000	142,955,000	89,291,000	90,798,000	140,867,000	139,627,000
1895.....	189,661,000	146,768,000	103,958,000	105,876,000	172,426,000	170,097,000
1900.....	225,181,000	166,786,000	149,788,000	149,804,000	240,789,000	234,781,000
1901.....	219,047,000	161,271,000	153,019,000	152,138,000	261,875,000	256,412,000
1902.....	227,095,000	166,365,000	150,600,000	148,785,000	269,277,000	265,791,000

\*Figures for the German Customs Union.

(The amount of British bunker coal not found prior to 1875.)

*Growth in coal production in free-trade Great Britain, compared with that of the protection countries, United States, Germany, and France; also the total coal production of the world and the per cent supplied by the United States at quinquennial periods from 1868 to 1895, and annually from 1896 to 1902, in tons of 2,000 pounds.*

[From reports of the United States Geological Survey.]

Year.	United States.	Great Britain.	Germany	France.	Total production of the world.	Per cent of U. S.
	Short tons.	Short tons.	Short tons.	Short tons.	Short tons.	
1868.....	31,648,960	115,518,096	36,249,233	14,697,236	221,035,430	14.32
1870.....	36,806,560	123,682,935	37,488,312	14,530,716	238,621,068	15.42
1875.....	52,288,320	149,303,263	52,703,970	18,694,916	308,419,177	16.95
1880.....	76,157,944	164,605,738	65,177,634	21,346,124	369,413,780	20.62
1885.....	111,159,795	178,473,588	81,227,255	21,510,359	447,783,802	24.82
1890.....	157,770,963	203,408,003	98,398,500	28,756,638	563,693,232	27.99
1895.....	193,217,530	212,320,725	114,561,318	30,877,922	644,177,076	29.98
1896.....	191,986,357	218,804,611	123,943,159	32,167,270	664,001,718	28.92
1897.....	200,229,199	226,385,523	132,762,882	33,938,987	697,213,515	28.72
1898.....	219,976,267	226,301,058	144,283,196	35,656,426	738,129,608	29.80
1899.....	253,741,192	246,506,155	149,719,766	36,215,026	801,976,021	31.63
1900.....	269,684,027	252,203,056	164,805,202	36,811,536	846,041,848	31.88
1901.....	293,299,816	245,332,578	168,217,082	35,596,536	869,037,199	33.76
1902.....	301,590,439	254,346,447	165,826,496	33,286,146	.....	.....

## TARIFFS AND TRADE BALANCES, 1790-1903.

*Years in which low tariffs and protective tariffs, respectively, have been in operation in the United States, showing the excess of imports or exports in each year and the total excess of imports or exports under each system.*

[Compiled from official statements of the Bureau of Statistics.]

Fiscal Year	Low tariffs		Fiscal Year	Protective tariffs	
	Excess of imports	Excess of exports		Excess of imports	Excess of exports
1790.....	\$2,794,844		1813.....		\$5,861,017
1791.....	10,187,959		1814.....	\$6,037,559	
1792.....	10,746,902		1815.....	60,483,521	
1793.....	4,990,428		1816.....	65,182,948	
1794.....	1,556,275		1825.....		549,023
1795.....	21,766,396		1826.....	5,202,722	
1796.....	22,861,539		1827.....		2,977,009
1797.....	24,084,696		1828.....	16,998,873	
1798.....	7,224,289		1829.....		345,736
1799.....	403,626		1830.....		8,949,779
1800.....	20,280,998		1831.....	23,589,527	
1801.....	18,342,998		1832.....	13,601,159	
1802.....	4,376,189		1833.....	13,519,211	
1803.....	8,866,633		1843.....		40,392,225
1804.....	7,300,926		1844.....		3,141,226
1805.....	25,033,979		1845.....	71,44,211	
1806.....	27,873,037		1846*.....	41,65,409	
1807.....	30,156,850		1862.....		1,313,824
1808.....	34,559,040		1863.....	39,371,368	
1809.....	7,196,767		1864.....	157,609,295	
1810.....	18,642,030		1865.....	72,716,277	
1811.....		\$7,916,832	1866.....	85,952,544	
1812.....	38,502,764		1867.....	101,254,955	
1817.....	11,578,431		1868.....	75,483,541	
1818.....	28,468,867		1869.....	131,388,682	
1819.....	16,982,479		1870.....	43,186,640	
1820.....	4,758,331		1871.....	77,403,506	
1821.....		75,489	1872.....	182,417,461	
1822.....	18,521,594		1873.....	119,656,288	
1823.....	4,155,328		1874.....		18,876,698
1824.....	3,197,067		1875.....	19,562,725	
1834.....	6,349,485		1876.....		79,643,481
1835.....	21,548,493		1877.....		151,152,094
1836.....	52,240,450		1878.....		257,814,234
1837.....	19,029,676		1879.....		264,661,666
1838.....		9,008,282	1880.....		167,683,912
1839.....	44,245,283		1881.....		259,712,718
1840.....		25,410,226	1882.....		25,902,683
1841.....	11,140,073		1883.....		100,658,488
1842.....		3,802,924	1884.....		72,815,916
1846.....	4,165,408		1885.....		164,662,426
1847.....		34,317,249	1886.....		44,088,694
1848.....	10,448,129		1887.....		23,863,443
1849.....	855,027		1888.....	28,002,607	
1850.....	29,133,800		1889.....	2,730,297	
1851.....	21,856,170		1890.....		68,518,275
1852.....	40,456,167		1891.....		39,564,614
1853.....	60,287,983		1892.....		202,875,686
1854.....	60,760,030		1893.....	18,735,728	
1855.....	88,899,205		1894.....		237,145,950
1856.....	29,212,887		1898.....		615,432,676
1857.....	54,604,582		1899.....		529,874,813
1858.....		8,672,620	1900.....		544,541,898
1859.....	38,431,290		1901.....		664,592,826
1860.....	20,040,062		1902.....		478,398,453
1861.....	69,756,709		1903.....		394,422,442
1895.....		75,568,200			
1896.....		102,882,264			
1897.....		286,263,144			
Total...	1,068,872,161	553,917,230	Total...	1,371,897,064	5,470,423,925

\*Half year.

Net excess of IMPORTS under low tariffs.....	\$514,954,931
Net excess of EXPORTS under protective tariffs.....	4,099,026,861
Net excess of exports over imports from 1789 to March 1, 1897.....	380,028,497
Net excess of exports over imports from March 1, 1897, to March 1, 1904.....	3,594,829,826

### **Killed by Lack of Protection.**

[From St. Thomas (Ontario, Canada) Daily Times of April 14, 1904.]

The directors of the Canada Woolen Mills Company have decided to close their business and sell out their plants at Hespeler, Carleton Place, Waterloo, and Lambton Mills, throwing 700 people out of employment and destroying an industry representing a million dollars capital. The directors have been losing money because of the preference given to British goods. Those 700 employees must live somewhere, and will probably be forced to leave the country. Loss of population of this class means loss to every kind of business; hence a loss in wealth to the province. The question for our lawmakers and people to consider is: Would it not be better to protect this industry sufficiently to keep these people in employment here, rather than allow them to be forced out? The strength of a nation is its people; the more industrious the people, the more strength and wealth.

### **The Tariff and Wages.**

Foreign workmen flock to the United States because of the high wages paid here, but the large number that come help to reduce wages. At Turin, in Italy, according to the consular reports, the rate of wages paid by the city for day laborers is from 40 to 60 cents a day. Bricklayers receive from 80 cents to \$1, carpenters from 60 to 70 cents, and painters from 40 to 50 cents, not one-third of the average rate paid in this country. The Italian workman can earn enough in the United States during the summer to go home and live without work during the winter, as comparatively little is required for his sustenance in a warm climate. But low wages are not confined to Italy.

In London, for instance, the pay of a policeman at the start is \$6.25 a week, and that is increased yearly by 25 cents until the amount reaches \$8.14 a week, and that is the limit. In this country, in New York, a patrolman receives \$25 a week, or three times as much as the experienced member of the British force. The pay is less on the Continent of Europe than in Great Britain. With such low wages and all the advantages in machinery that the workmen in the United States have, nothing could prevent a similar reduction of wages in this country excepting the tariff. That is why the Republican party will stand steadfastly for the protective tariff, and will only make changes after careful investigation and certain knowledge that the changes would be justified.

Wages are much lower in Canada than in the United States, and that has to be taken into consideration in any negotiations for a reciprocity treaty.

The wage question is of the greatest importance in this country. There will be no legislation to cause any reduction, such as took place under the last Cleveland Administration, unless the Democrats are again returned to power, which is improbable.

### **Protection and Wages in Germany.**

The Spanish Economist and Financier has the following in a recent issue:—

The Chamber of Commerce of Essen, Germany, has just published an interesting memorial on the influence of protective tariffs on wages and on the conditions of the working classes. Referring to the district of Essen, the Chamber establishes the fact that the average wages, which were 3.30 marks in 1871, were 3.89 marks in 1875, but went backward till they descended to 3.30 marks again. In 1879 a system truly Protectionist was inaugurated. From that time on wages went up from 3.57 marks in 1882 to 3.71 marks in 1888, 4.06 marks in 1892, 4.10 marks in 1895, and 4.78 marks in 1900. The conclusion drawn by the Chamber of Commerce experts from the facts cited is that wages remained practically at a standstill during the years 1875-1879, just preceding the Protectionist era, while the advance during the later, or protection, period was fully 58 per cent. To meet the objection that foods have gone up faster than wages, thus neutralizing the increased purchasing power of the laborer, the Chamber shows that the foods consumed by the laboring classes dropped as follows: Bread, 20 per cent; potatoes, 29 per cent; while beef increased only 5 per cent; veal, 21 per cent, and pork, 27 per cent.



## INDUSTRIAL GROWTH IN ENGLAND AND UNITED STATES COMPARED.

In an article on occupation as a test of prosperity, the Fortnightly Review presents statistics to show that during the twenty years, 1881 and 1901, the increase in the number of persons engaged in the leading industries of Great Britain has not increased in proportion to the population, and on this showing it bases an argument in favor of tariff reform. Without entering into the economic discussion which is the occasion of the Fortnightly Review's article, it is of value to compare the statistics of Great Britain with those of the United States in this matter of the number of persons engaged in the leading industries.

Such a comparison is in every way gratifying to this country. It shows conclusively that the industrial growth in the United States has been much more rapid than in England in the past twenty years. In that time the percentage of increase in population in the United States has been 52 and in England about 25, and yet in eight selected industries the increase in the number of persons engaged in them has been in the United States 56 per cent and in England only 6.7 per cent. In other words, in these industries the number of persons engaged has increased more rapidly than the population in the United States, while in England the increase is very much less than that in the population. In order to show this more clearly the following tables are given to exhibit the number of persons engaged in eight industries in 1880 and 1900 in the United States and in 1881 and 1901 in England and Wales, with the percentages of increases in both instances:

### *Number of persons engaged in eight industries in England.*

	1881.	1901.	In-crease.	Perct. of inc.
Cotton.....	552,000	582,000	30,000	5.4
Boots and shoes.....	224,000	251,000	27,000	12.0
Earthenware and glass.....	68,000	93,000	25,000	36.8
Furniture.....	84,000	122,000	38,000	45.2
Iron and steel.....	201,000	216,000	15,000	7.4
Linen.....	13,000	5,000	*8,000	*61.0
Silk.....	65,000	39,000	*26,000	*40.0
Woolen and worsted.....	240,000	236,000	*4,000	*1.6
Total.....	1,447,000	1,544,000	97,000	6.7
Increase in population.....				25.0

\*Decrease.

### *Number of persons engaged in eight industries in the United States.*

	1880.	1900.	In-crease.	Perct. of inc.
Cotton.....	185,000	303,000	118,000	62
Boots and shoes.....	111,000	143,000	32,000	28
Glass.....	24,000	53,000	29,000	120
Furniture.....	63,000	100,000	37,000	59
Iron and steel.....	159,000	266,000	107,000	67
Linen.....	484	3,283	2,799	578
Silk and silk goods.....	31,000	65,000	34,000	109
Woolen and worsted.....	105,000	126,000	21,000	20
Total.....	678,484	1,059,283	380,797	56
Increase in population.....				52

### Share of the Iron and Steel Manufactures Produced by the United States Steel Corporation.

The table which follows shows the share of iron ore and iron and steel produced in the United States in the calendar year of 1902, by the United States Steel corporation and by independent companies. This table has been prepared with great care by the Secretary of American Iron and Steel Association, Mr. James M. Swank, and its accuracy cannot be called in question. Mr. Swank is and has been for many years an accepted authority in the United States on all matters pertaining to iron and steel production and this statement prepared by him is therefore of special value in indicating the share of iron and steel product of the United States produced by the United States Steel corporation and by independent companies, respectively. It will be seen that of the finished rolled products of iron and steel produced in the United States in 1902, 50.8 per cent was produced by the United States Steel Corporation and 49.2 per cent by independent companies. The table is especially important in its relation to the question of control of prices by this greatest of industrial corporations. The fact that practically one-half of the iron and steel products of the United States are produced by independent companies in competition with this single organization, suggests the impracticability of control of prices by even this greatest of the manufacturing combinations of the United States. A similar table prepared by Mr. Swank for the year 1901 shows similar results. The table for the year 1903 is not yet available and the table covering conditions in 1902 is presented as the latest available data on this subject.

#### Statistics of the United States Steel Corporation for 1902.

[From Bulletin of American Iron and Steel Association, Jan. 25, 1904.]

With the single exception of iron ore the statistics presented below have been carefully compiled from the returns of production made to the American Iron and Steel Association for the whole of the calendar year 1902 by all the constituent companies of the United States Steel Corporation and by all other iron and steel manufacturing companies. The statistics of iron ore shipments and production by the Corporation in 1902 have been obtained from the Corporation itself. Other statistics of iron ore production have been obtained from the Census Bureau, and other statistics of iron ore shipments have been obtained from the Iron Trade Review, of Cleveland, Ohio.

Iron ore shipments and production in the calendar year 1902. Gross tons.	By U. S. Steel Corporation.	By independent companies.	Total shipments and production.	Percentage of U.S. Steel Corporation.
Shipments of iron ore from the Lake Superior region in 1902.....	15,836,806	11,734,315	27,571,121	57.4
Total production of iron ore in 1902.....	16,063,179	19,288,256	35,351,435	45.4
Iron and steel actually produced in the calendar year 1902. Gross tons.	Production by U.S. Steel Corporation.	Production by independent comp's.	Total production.	Percentage of U.S. Steel Corporation.
Bessemer, basic, and low-phosphorus pig iron .....	7,733,724	4,698,034	12,431,758	62.2
Spiegeleisen and ferromanganese.....	172,718	40,263	212,981	81.1
Forge, foundry, malleable Bessemer, and all other kinds of pig iron.....	69,088	5,107,480	5,176,568	1.3
Total pig iron, including Spiegeleisen and ferromanganese.....	7,975,530	9,845,777	17,821,307	44.8
Bessemer steel ingots and castings.....	6,759,210	2,379,153	9,138,363	74.0
Open-hearth steel ingots and castings.....	2,684,708	2,703,021	5,687,729	52.5
Total Bessemer and open-hearth steel ingots and castings.....	9,743,918	5,082,174	14,826,092	65.7
Bessemer steel rails.....	1,920,786	1,014,606	2,935,392	65.4
Structural shapes.....	753,481	546,845	1,300,326	57.9
Plates and sheets, including black plates for tinning.....	1,583,865	1,081,544	2,665,409	59.4
Wire rods.....	1,126,826	447,467	1,574,293	71.6
All other finished rolled products, including bars, skelp, cut nails, open-hearth steel rails, iron rails, etc.....	1,701,700	3,766,996	5,468,696	31.1
Total of all finished rolled products.....	7,086,658	6,857,458	13,944,116	50.8
Wire nails, kegs of 100 lbs.,	7,122,354	3,859,892	10,982,246	64.9

**Prices of Boots and Shoes Under the Wilson and Dingley Tariffs—  
The Duty on Hides Did Not Affect Prices.**

This table shows the wholesale prices of boots and shoes of various grades, in each quarter of each year from the beginning of 1897 to 1904. The Dingley act placed a duty of 15 per cent on hides of cattle, and it was, of course, predicted by the Democrats that this would advance the price of boots and shoes. It will be seen, however, from a study of this table, that there was no advance during the first four years of the operation of that act, thus showing that the tariff did not cause any increase in prices to the consumer. While it is a fact that there has been a slight advance in the past three years, this has been due to the increase in wages and general activity of business, and could not have been caused by the tariff since no advance occurred in the years immediately following its application.

*Wholesale prices of boots and shoes.*  
[From Dun's Review.]

	Men's grain shoes	Men's satin shoes	Wax brogans No. 1	Men's kip shoes	Men's calf shoes	Men's split boots.	Men's kip boots.	Men's calf boots.	Women's grain shoes.	Women's split shoes.
1897 Jan. 1	\$1.07½	\$1.17½	\$0.97½	\$1.10	\$1.75	\$1.30	\$1.35	\$2.22½	\$0.87½	\$0.65
April 1	1.05	1.17½	.92½	1.10	1.70	1.30	1.32½	2.15	.90	.67½
July 1	.97½	1.15	.90	1.05	1.70	1.25	1.27½	2.15	.85	.65
Oct. 1	1.02½	1.17½	.95	1.10	1.77½	1.27½	1.32½	2.25	.90	.67½
1898 Jan. 1	1.02½	1.15	.92½	1.10	1.75	1.25	1.30	2.25	.87½	.67½
April 1	.97½	1.15	.92½	1.07½	1.70	1.25	1.30	2.22½	.85	.65
July 1	1.00	1.17½	.95	1.10	1.72½	1.27½	1.32½	2.27½	.85	.65
Oct. 1	1.00	1.17½	.92½	1.10	1.70	1.27½	1.32½	2.25	.85	.65
1899 Jan. 1	.97½	1.12½	.92½	1.07½	1.70	1.25	1.30	2.22½	.85	.65
April 1	.95	1.12½	.92½	1.07½	1.70	1.25	1.30	2.22½	.82½	.62½
July 1	.95	1.15	.95	1.12½	1.70	1.22½	1.35	2.25	.85	.65
Oct. 1	1.02½	1.17½	.97½	1.12½	1.70	1.32½	1.35	2.27½	.87½	.67½
1900 Jan. 1	1.12½	1.25	1.02½	1.17½	1.80	1.40	1.42½	2.31½	.97½	.75
April 1	1.12½	1.25½	1.02½	1.20	1.80	1.40	1.47½	2.35	.97½	.72½
July 1	1.07½	1.17½	.97½	1.15	1.77½	1.35	1.42½	2.30	.95	.72½
Oct. 1	1.02½	1.12½	.95	1.12½	1.75	1.30	1.35	2.30	.90	.67½
1901 Jan. 1	1.05	1.15	.97½	1.15	1.75	1.32½	1.40	2.30	.92½	.67½
April 1	1.05	1.12½	.95	1.15	1.75	1.30	1.37½	2.30	.92½	.67½
July 1	1.02½	1.10	.95	1.12½	1.73½	1.27½	1.35	2.27½	.92½	.67½
Oct. 1	1.02½	1.10	.95	1.12½	1.72½	1.35	1.42½	2.30	.92½	.67½
1902 Jan. 1	1.05	1.12½	.97½	1.15	1.75	1.35	1.42½	2.30	.95	.70
April 1	1.07½	1.15	1.00	1.15	1.80	1.40	1.47½	2.35	.97½	.70
July 1	1.07½	1.00	1.00	1.12½	1.75	1.40	1.47½	2.30	.97½	.70
Oct. 1	1.10	1.12½	1.02½	1.12½	1.75	1.40	1.47½	2.30	1.00	.72½
1903 Jan. 1	1.10	1.15	1.02½	1.12½	1.75	1.40	1.47½	2.35	1.00	.72½
April 1	1.15	1.15	1.02½	1.17½	1.75	1.40	1.52½	2.35	1.02½	.72½
July 1	1.15	1.15	1.02½	1.17½	1.75	1.40	1.52½	2.35	1.02½	.72½
Oct. 1	1.15	1.12½	1.02½	1.17½	1.75	1.40	1.52½	2.35	1.05	.77½
1904 Jan. 1	1.15	1.15	1.02½	1.17½	1.75	1.42½	1.52½	2.35	1.05	.77½
April 1	1.17½	1.17½	1.02½	1.17½	1.75	1.42½	1.52½	2.35	1.07½	.77½



*Progress of manufactures in the United States—Comparative summary, 1850 to 1900, with per cent of increase for each decade.*

[From the United States Census of 1900, Report on Manufactures, part 1, page xlvii.]

	Date of Census.					Per cent of Increase.					
	1850.	1860.	1870.	1880.	1890.	1900.*	1850 to 1860.	1860 to 1870.	1870 to 1880.	1880 to 1890.	1890 to 1900.
Number of establishments.....	123,025	140,433	252,148	253,852	355,415	512,339	14.1	79.6	0.7	40.0	44.2
Capital.....	\$533,245,351	\$1,009,855,715	\$2,118,208,769	\$2,790,272,606	\$6,525,156,486	\$9,835,086,909	89.4	109.8	31.7	133.9	50.7
Salaries of officials, clerks, etc., number.....	(3)	(3)	(3)	(3)	461,009**	397,174	.....	.....	.....	.....	13.8(4)
Salaries.....	(3)	(3)	(3)	(3)	\$391,988,208**	\$404,230,274	.....	.....	.....	.....	3.1
Wage-earners, average number.....	957,059	1,311,246	2,053,996	2,732,595	4,251,613	5,316,802	37.0	56.6	33.0	55.6	85.1
Total wages.....	\$236,755,464	\$378,878,966	\$775,584,343	\$947,953,795	\$1,891,228,321	\$2,328,691,254	60.0	104.7	22.2	99.5	23.1
Men, 16 years and over.....	731,137	1,040,349	1,615,598	2,019,035	3,327,042	4,116,610	42.3	55.3	25.0	64.8	23.7
Wages.....	(3)	(3)	(3)	(3)	\$1,659,234,483	\$2,021,349,508	.....	.....	.....	.....	21.8
Women, 16 years and over.....	2,225,922	270,897	323,770	531,639	803,686	1,031,609	19.9	19.5	64.2	51.2	28.4
Wages.....	(3)	(3)	(3)	(3)	\$215,367,976	\$281,680,054	.....	.....	.....	.....	30.8
Children, under 16 years.....	(3)	(3)	114,628	181,921	120,885	168,583	.....	.....	58.7	33.6(4)	39.5
Wages.....	(3)	(3)	(3)	(3)	\$16,625,862	\$25,661,692	.....	.....	.....	.....	54.3
Miscellaneous expenses.....	(5)	(5)	(5)	(5)	\$631,225,035	\$1,028,035,611	.....	.....	.....	.....	62.9
Cost of materials used.....	\$555,123,822	\$1,031,605,092	\$2,488,427,242	\$3,396,323,549	\$5,162,044,076	\$7,348,144,755	85.8	141.2	36.5	52.0	42.3
Value of products including custom work and repairing	\$1,019,106,616	\$1,885,861,676	\$4,232,325,442	\$5,369,579,191	\$9,372,437,283	\$13,014,287,498	85.1	124.4	26.9	74.5	38.9

\*Includes for comparative purposes, 85 governmental establishments in the District of Columbia having products valued at \$9,887,355, the statistics of such establishments for 1890 not being separable.

\*\*Includes proprietors and firm members, with their salaries; number only reported in 1900, but not included in this table.

(3) Not reported separately.

(4) Decrease.

(5) Not reported.

Total value of imports and exports into and from the United States from October 1, 1789, to June 30, 1905.

[Compiled from publications of the Bureau of Statistics.]

Administration.	Fiscal Year.	Merchandise.				Fiscal Year.	Tariffs.
		Imports.	Exports.	Excess of imports.	Excess of exports.		
Washington (Apr. 30, 1789, to Mar. 4, 1797).	1789	\$23,000,000	\$20,205,156	\$2,794,844		1790	
	1791	20,200,000	19,012,041	10,187,959		1791	
	1792	31,500,000	20,753,028	10,746,902		1792	
	1793	31,100,000	28,109,572	4,990,428		1793	
	1794	34,000,000	33,043,725	1,556,275		1794	
	1796	69,756,268	47,999,872	21,756,396		1796	
	1796	31,436,164	58,574,625	22,961,539		1796	
	1797	75,379,406	51,294,710	24,084,696		1797	
	1798	68,551,700	61,327,411	7,224,289		1798	
	1799	79,000,148	78,065,522	403,626		1799	
John Adams (Mar. 4, 1797, to Mar. 4, 1801).	1800	91,252,768	70,971,790	20,280,968		1800	
	1801	111,363,511	103,020,513	18,342,998		1801	
	1802	76,338,332	71,957,144	4,370,188		1802	Forinative period.
	1803	64,866,866	55,800,083	8,866,783		1803	
	1804	85,000,000	77,699,074	7,300,926		1804	
	1805	120,000,000	95,566,921	25,033,079		1805	
	1806	129,410,000	101,536,943	27,873,057		1806	
	1807	138,000,000	108,343,150	29,656,850		1807	
	1808	156,990,000	22,430,960	34,550,040		1808	
	1809	59,400,000	52,203,253	7,196,747		1809	
Madison (Mar. 4, 1809, to Mar. 4, 1817).	1810	85,400,000	66,757,970	18,642,030		1810	
	1811	53,400,000	61,346,542	\$7,916,532		1811	
	1812	77,930,000	38,627,296	38,992,704		1812	
	1813	22,005,000	27,856,017		5,851,017	1813	
	1814	12,965,000	6,927,441	6,037,559		1814	Protective tariff (July 1, 1812, to June 30, 1816).
	1815	115,041,274	52,657,753	62,383,521		1815	
	1816	147,103,000	81,920,652	65,182,348		1816	
	1817	99,250,000	87,671,569	11,678,431		1817	
	1818	121,750,000	93,281,133	28,468,867		1818	
	1819	127,128,000	70,142,521	56,985,479		1819	
Monroe (Mar. 4, 1817, to Mar. 4, 1825).	1820	74,450,000	69,681,669	4,768,331		1820	Low tariff (June 30, 1816, to June 30, 1824).
	1821	54,820,884	64,596,323		75,499	1821	
	1822	79,471,695	41,350,101	38,121,594		1822	
	1823	72,481,371	68,326,848	4,156,523		1823	
	1824	72,189,722	68,972,106			1824	
	1825	90,189,310	90,738,533		\$549,023	1825	
	1826	79,093,511	72,890,780	5,202,722		1826	
	1827	71,332,938	74,809,947		2,977,009	1827	
	1828	131,000,000	64,021,210	66,978,790		1828	Protective tariff (June 30, 1824, to Mar. 2, 1833).
	1829	67,698,915	67,494,631		204,284	1829	
Jackson (Mar. 4, 1829, to Mar. 4, 1837).	1830	62,720,956	71,670,735		9,049,779	1830	
	1831	95,845,179	72,296,652	23,548,527		1831	
	1832	95,121,762	81,820,608	13,301,154		1832	
	1833	101,047,943	87,698,732	13,349,211		1833	
	1834	108,600,790	102,260,215	6,340,575		1834	
	1835	136,764,295	116,715,502	20,048,793		1835	
	1836	176,579,154	124,838,704	51,740,450		1836	
	1837	139,472,808	111,445,127	28,027,681		1837	
	1838	95,976,288	104,978,670		9,002,382	1838	Low tariff (Mar. 3, 1833, to Aug. 30, 1842).
	1839	156,496,966	112,251,673	44,245,293		1839	
W. H. Harrison-Tyler (Mar. 4, 1841, to Mar. 4, 1845).	1840	98,284,706	123,668,932		25,410,226	1840	
	1841	122,857,471	111,811,073	11,046,398		1841	
	1842	98,675,071	90,877,995		3,502,074	1842	
	1843	42,438,464	82,825,680		40,397,216	1843	
	1844	102,604,666	106,745,322		3,141,226	1844	Protective tariff (Apr. 30, 1842, to Dec. 1, 1846).
	1845	113,184,322	106,040,113	7,144,209		1845	
	1846	117,914,066	109,383,248	8,530,817		1846	
	1847	122,424,349	156,741,598		34,317,249	1847	Low tariffs (Dec. 1, 1846, to Apr. 3, 1848).
	1848	148,638,644	138,190,516	10,448,129		1848	
	1849	141,206,190	140,381,172	838,018		1849	
Taylor-Fillmore (Mar. 4, 1849, to Mar. 4, 1857).	1850	173,509,526	144,375,726	29,133,800		1850	
	1851	210,771,429	148,916,259	61,855,170		1851	
	1852	207,440,308	168,984,231	40,456,077		1852	
	1853	263,377,295	203,469,892	60,267,403		1853	
	1854	297,893,784	227,048,764	70,705,020		1854	
	1855	257,808,706	218,909,658	38,899,048		1855	Low tariffs (Dec. 1, 1846, to Apr. 3, 1861).
	1856	310,452,310	291,219,428	19,232,882		1856	
	1857	348,428,342	295,828,760	52,600,582		1857	
	1858	263,336,815	273,011,274		9,672,540	1858	
	1859	331,333,341	292,902,051	38,431,290		1859	
Buchanan (Mar. 4, 1857, to Mar. 4, 1861).	1860	353,616,119	333,676,057	20,040,062		1860	
	1861	269,310,542	210,553,833	60,756,709		1861	
	1862	189,356,677	190,670,501		\$1,313,824	1862	
	1863	243,333,815	240,364,447	3,968,368		1863	
	1864	316,447,293	158,837,088	157,610,205		1864	
	1865	238,745,590	166,029,303	72,716,287		1865	
	1866	434,812,006	348,859,422	85,952,584		1866	
	1867	395,761,096	294,508,141	101,252,955		1867	
	1868	357,438,440	281,952,899	75,485,541		1868	
	1869	417,508,379	288,117,697	131,390,682		1869	
Grant (Mar. 4, 1869, to Mar. 4, 1877).	1870	435,958,408	392,771,788	43,186,620		1870	
	1871	520,223,604	442,820,178	77,403,506		1871	
	1872	626,508,077	444,177,380	182,330,697		1872	
	1873	642,136,210	322,479,922	319,656,288		1873	
	1874	567,406,342	386,383,040	181,023,302		1874	
	1875	533,005,436	313,442,711	219,562,725		1875	
	1876	460,741,100	340,364,671	120,376,429		1876	
	1877	451,323,129	605,475,230		154,152,094	1877	Protective tariffs (Apr. 1, 1861, to Aug. 31, 1874).
	1878	437,051,532	694,805,706		257,754,174	1878	
	1879	445,767,777	710,439,441		264,671,664	1879	
Garfield-Arthur (Mar. 4, 1881, to Mar. 4, 1885).	1880	667,954,746	835,638,658		167,683,912	1880	
	1881	642,664,628	577,911,274	64,753,354		1881	
	1882	724,639,574	750,542,257		25,902,683	1882	
	1883	723,180,914	823,839,402		100,658,488	1883	
	1884	667,697,693	740,513,609		72,815,916	1884	
	1885	577,357,329	742,180,753		164,823,425	1885	
	1886	635,436,136	679,554,830		44,118,694	1886	
	1887	602,319,768	716,183,211		23,863,443	1887	
	1888	723,957,114	695,994,507	28,002,607		1888	
	1889	745,131,652	742,401,375	2,730,277		1889	
Benjamin Harrison (Mar. 4, 1889, to Mar. 4, 1893).	1890	790,310,499	857,829,684		68,519,185	1890	
	1891	844,916,196	884,480,810		39,564,614	1891	
	1892	827,402,462	1,030,578,148		202,875,686	1892	
	1893	866,400,922	847,665,194	18,735,728		1893	
	1894	654,994,622	892,140,572		237,145,950	1894	
	1895	731,960,965	807,538,165		75,567,200	1895	
	1896	779,724,674	882,606,938		102,882,264	1896	Low tariff (Aug. 30, 1894, to July 31, 1897).
	1897	764,730,412	1,050,993,556		286,263,144	1897	
	1898	816,049,654	1,231,482,330		415,432,676	1898	Protective tariff (July 24, 1897, to June 3, 1903).
	1899	697,148,489	1,227,023,302		529,874,813	1899	
Roosevelt (Sept. 14, 1903, to June 30, 1905).	1900	849,941,184	1,394,483,082		544,541,898	1900	
	1901	853,172,165	1,487,764,991		634,592,826	1901	
	1902	903,320,948	1,381,719,401		478,398,453	1902	
	1903	1,025,719,237	1,430,141,679		404,422,442	1903	
Total		\$34,279,363,510	\$37,863,335,440		\$3,584,071,930		

Receipts and expenditures of the United States Government from 1791 to 1909.  
(From official reports of the United States Government, 1899.)

Administration.	Year ending Dec. 31—	Total net ordinary receipts.	Total net ordinary expenditures, plus interest on public debt.	Excess of receipts.	Excess of expenditures.	Tariffs.
Washington (April 30, 1789, to March 4, 1797).	1791.....	\$4,409,951.19	\$3,007,452.55	\$1,312,498.64		
	1792.....	3,669,960.31	8,269,860.75		\$ 4,599,909.44	
	1793.....	4,652,923.14	3,846,929.90	805,993.24		
	1794.....	5,431,904.87	6,297,822.04		865,917.17	
	1795.....	6,114,534.59	7,309,600.78		1,195,066.19	
John Adams (Mar. 4, 1797, to March 4, 1801).	1796.....	8,377,529.63	5,790,600.83	2,586,928.82		
	1797.....	8,688,780.99	6,008,627.25	2,680,153.74		
	1798.....	7,900,495.80	7,607,586.32	292,909.48		
	1799.....	7,546,813.31	9,295,818.13		1,749,004.82	
	1800.....	10,848,749.10	10,813,971.01	34,778.09		
Jefferson (March 4, 1801, to March 4, 1809).	1801.....	12,935,330.95	9,393,499.96	3,541,830.99		
	1802.....	14,995,793.95	7,976,252.07	7,019,541.88		
	1803.....	11,064,097.63	7,952,286.60	3,111,811.03		
	1804.....	11,826,307.38	8,637,907.65	3,188,399.73		
	1805.....	13,560,693.20	9,014,348.84	4,546,344.36		
Madison (March 4, 1809, to March 4, 1817).	1806.....	15,559,931.07	9,449,177.62	6,110,753.45		
	1807.....	16,398,019.26	8,354,151.37	8,043,867.89		
	1808.....	17,060,661.93	9,061,413.06	7,999,248.85		
	1809.....	7,773,473.12	10,280,747.04		2,507,273.92	
	1810.....	9,384,214.28	8,474,753.37	909,460.91		
Monroe (March 4, 1817, to March 4, 1825).	1811.....	14,222,634.09	8,178,040.43	6,244,593.66		
	1812.....	9,801,132.76	20,280,771.27		10,479,638.51	
	1813.....	14,340,409.95	31,681,852.14		17,341,442.19	
	1814.....	11,181,625.16	34,720,925.42		23,539,300.26	
	1815.....	15,696,916.82	32,943,661.24		17,246,744.42	
J. Q. Adams (March 4, 1825, to March 4, 1829).	1816.....	47,676,985.66	31,196,355.92	16,480,629.74		
	1817.....	33,099,049.74	19,990,892.47	13,108,157.27		
	1818.....	21,585,171.04	20,018,627.81	1,566,543.23		
	1819.....	24,603,374.37	21,512,004.00	3,091,370.37		
	1820.....	17,840,669.55	18,285,534.89		444,865.34	
Jackson (March 4, 1829, to March 4, 1837).	1821.....	14,573,379.72	15,849,552.86		1,276,173.14	
	1822.....	20,232,427.94	15,000,432.30	5,231,995.64		
	1823.....	20,540,666.26	14,706,629.99	5,834,036.27		
	1824.....	19,381,212.79	20,273,702.64		892,489.85	
	1825.....	21,840,858.02	15,857,217.34	5,983,640.68		
Van Buren (March 4, 1837, to March 4, 1841).	1826.....	25,260,434.21	17,037,859.22	8,222,574.99		
	1827.....	22,966,363.96	16,139,167.16	6,827,196.80		
	1828.....	24,763,929.23	16,394,842.05	8,369,087.18		
	1829.....	24,827,627.38	15,184,053.63	9,643,573.75		
	1830.....	24,844,116.51	15,142,108.26	9,702,008.25		
Harrison-Tyler (March 4, 1841, to Mar. 4, 1845).	1831.....	28,526,820.82	15,237,816.64	13,289,004.18		
	1832.....	31,867,450.66	17,288,960.27	14,578,500.39		
	1833.....	33,948,426.25	23,017,551.98	10,930,874.27		
	1834.....	21,791,935.55	18,627,570.23	3,164,365.32		
	1835.....	35,430,087.10	17,572,813.36	17,857,273.74		
Polk (March 4, 1845, to March 4, 1849).	1836.....	50,826,796.08	30,868,164.04	19,958,632.04		
	1837.....	24,954,153.04	37,243,214.24		12,289,061.20	
	1838.....	26,302,561.74	33,864,714.56		1,562,152.82	
	1839.....	31,482,749.61	26,896,782.62	4,585,966.99		
	1840.....	19,480,115.34	24,314,518.19		4,834,402.86	
Taylor-Fillmore (March 4, 1849, to Mar. 4, 1853).	1841.....	16,860,160.27	26,481,817.84		9,621,657.57	
	1842.....	19,976,197.25	25,134,886.44		5,158,689.19	
	1843*.....	8,231,001.26	11,780,092.51		3,549,791.25	
	1844.....	29,320,707.78	22,483,560.14	6,837,147.64		
	1845.....	29,970,105.80	22,935,827.79	7,034,278.01		
Pierce (March 4, 1853, to March 4, 1857).	1846.....	29,699,967.74	27,261,182.86	2,438,784.88		
	1847.....	26,467,403.16	54,920,734.09		28,453,380.93	
	1848.....	35,698,699.21	47,618,220.65		11,919,521.44	
	1849.....	30,721,077.50	43,499,078.30		12,778,000.89	
	1850.....	43,592,888.88	40,948,383.12	2,644,505.76		
Buchanan (March 4, 1857, to Mar. 4, 1861).	1851.....	52,555,039.33	47,751,478.41	4,803,560.92		
	1852.....	49,846,815.60	44,390,252.36	5,456,563.24		
	1853.....	61,587,031.68	47,743,989.09	13,843,042.59		
	1854.....	73,800,341.40	55,038,355.11	18,761,986.29		
	1855.....	65,350,574.68	58,630,662.71	6,719,911.97		
Lincoln-Johnson (March 4, 1861, to Mar. 4, 1869).	1856.....	74,056,699.24	68,726,350.01	5,330,349.23		
	1857.....	68,965,312.57	67,634,408.93	1,330,903.64		
	1858.....	46,655,365.96	73,982,492.84		27,327,126.88	
	1859.....	52,777,101.92	68,993,599.77		16,216,491.85	
	1860.....	56,054,599.83	63,875,875.65		7,821,275.82	
Grant (March 4, 1869, to March 4, 1877).	1861.....	41,476,299.49	66,650,213.08		25,173,913.59	
	1862.....	51,919,261.09	469,570,241.65		417,650,980.56	
	1863.....	112,094,945.51	118,734,276.18		606,639,330.67	
	1864.....	243,412,971.20	864,969,100.83		621,556,129.63	
	1865.....	322,031,158.19	1,296,009,289.58		973,068,131.39	
Hayes (March 4, 1877, to March 4, 1881).	1866.....	519,949,564.38	519,022,356.34	927,208.04		
	1867.....	462,846,679.92	346,729,325.78	116,117,354.14		
	1868.....	376,434,453.82	370,339,133.82	6,095,320.00		
	1869.....	357,188,256.09	321,190,597.75	35,997,658.34		
	1870.....	395,959,833.87	283,657,005.15	102,302,828.72		
Garfield-Arthur (March 4, 1881, to Mar. 4, 1885).	1871.....	374,431,104.94	283,160,393.51	91,270,711.43		
	1872.....	364,694,229.91	270,559,695.91	94,134,534.00		
	1873.....	322,177,673.78	285,239,325.34	36,938,348.44		
	1874.....	299,941,000.84	301,238,800.21		1,297,709.37	
	1875.....	284,020,771.41	274,623,392.84	9,397,378.57		
Cleveland (March 4, 1885, to March 4, 1889).	1876.....	290,066,584.70	265,101,084.59	24,965,500.11		
	1877.....	281,000,642.00	241,334,474.86	39,666,167.14		
	1878.....	257,446,776.40	236,964,326.80	20,482,449.60		
	1879.....	272,322,136.83	266,947,882.53	5,374,254.30		
	1880.....	333,526,500.98	264,847,637.36	68,678,863.62		
Benjamin Harrison (March 4, 1889, to Mar. 4, 1893).	1881.....	360,782,292.57	259,651,638.81	101,130,653.76		
	1882.....	403,525,250.28	257,981,439.57	145,543,810.71		
	1883.....	398,287,581.95	265,408,137.54	132,879,444.41		
	1884.....	348,519,869.92	244,126,244.36	104,393,625.59		
	1885.....	323,690,706.38	260,226,931.11	63,463,775.27		
Cleveland (March 4, 1893, to March 4, 1897).	1886.....	336,439,727.06	242,483,138.50	93,956,588.56		
	1887.....	371,403,277.66	267,892,179.97	103,511,097.69		
	1888.....	379,265,074.76	259,653,958.67	119,612,116.09		
	1889.....	387,050,058.84	281,396,615.60	105,653,443.24		
	1890.....	403,080,982.63	297,736,486.60	105,344,496.03		
McKinley-Roosevelt (Mar. 4, 1897, to June 30, 1903).	1891.....	392,612,447.31	355,372,684.74	37,239,762.57		
	1892.....	354,937,784.24	345,023,330.58	9,914,453.66		
	1893.....	385,819,628.78	383,477,954.49	2,341,674.29		
	1894.....	297,722,019.25	367,525,279.83		69,803,260.58	
	1895.....	313,300,075.11	356,195,298.29		42,895,223.18	
Low tariff (Aug. 28, 1894, to July 24, 1897).	1896.....	326,976,200.38	352,179,446.08		25,203,245.70	
	1897.....	347,721,705.16	365,774,159.57		18,052,454.41	
Protective tariff (July 24, 1897, to June 30, 1903).	1898.....	405,321,335.60	443,368,582.80		38,047,247.20	
	1899.....	515,960,820.18	605,072,179.85		89,111,559.67	
	1900.....	567,249,851.89	487,713,791.71	79,527,060.18		
	1901.....	587,683,337.83	509,967,353.15	77,717,984.38		
	1902.....	562,478,233.21	190,187,867.64	91,287,375.57		
	1903.....	560,396,674.10	506,099,007.04	54,297,667.06		

\* Six months to June 30, 1843, June 30—.



# THE BRITISH TARIFF.

[Hon. J. T. McCleary, of Minnesota, in Congressional Record.]

Since 1846 Great Britain has collected her duties on imports under the policy advocated by the Democratic party. Let us see how the policy is operated there and what the results are.

For the information of those who may not have convenient access to the Statesman's Year Book, I submit the following table showing the sources of revenue of the government of Great Britain for national purposes for the fiscal year ending March 31, 1903, the latest for which data can be had. (In the Year Book the amounts are expressed in pounds sterling. A pound sterling is worth a few cents less than \$5. For convenience of computation I have called it exactly \$5 in translating the English money into American money for the purposes of this table.)

## Customs duties:

Duties on exports—coal.....	\$9,958,835
Duties on imports:	
Tobacco.....	62,257,365
Tea.....	29,877,410
Sugar, glucose, etc.....	22,393,535
Grain, etc.....	11,733,980
Rum.....	11,149,365
Wine.....	7,619,280
Brandy.....	6,405,575
Other spirits.....	6,143,965
Raisins.....	1,024,555
Coffee.....	893,140
Cocoa.....	774,605
Currants.....	577,620
Other articles.....	1,495,120

Total revenue from customs duties..... 172,304,350

## Excises:

Spirits.....	90,821,795
Beer.....	66,319,450
Other sources.....	3,598,115

Total revenue from excises..... 160,739,360

## Estate, etc., duties:

Estate duties.....	48,501,810
Legacy duty.....	15,008,965
Succession duty.....	4,828,365
Corporation duty.....	219,235

Total revenue from estate duties, etc..... 68,558,375

## Stamps (excluding fee stamps, etc.):

Deeds.....	19,499,915
Receipts.....	7,642,315
Bills of exchange.....	3,498,545
Companies' capital duty.....	3,123,795
Patent medicines.....	1,666,855
Insurances.....	1,437,745
Bonds to bearer.....	1,051,145
Licenses, etc.....	858,685
Other sources.....	2,319,015

Total revenue from stamp taxes..... 41,093,015

Land tax.....	3,803,770
House duty.....	9,168,855
Property and income tax.....	193,229,230

Total revenue from taxes..... 648,966,455

The above does not include the revenue received from the post-office and the telegraph, from the crown lands, from interest on Suez Canal shares owned by the British government, from fee stamps, from the mint, from the Bank of England, and from various other sources, amounting in all to \$108,103,490, none of which can properly be regarded as taxes.

Thus the grand total of national revenue in the British Isles for the fiscal year ending March 31, 1903, from all sources except money borrowed, was \$757,067,945.

It is to be remembered that these are the revenues of the national government for meeting national expenses, such as interest on the public debt, the support of the army and the navy,

and for civil administration, including the post-office and the telegraph. It does not include the sums raised for local purposes, except a few small sums, mainly those in the way of government aid to schools. Nor does it include sums raised for the support of colonies, most of the colonies being self-supporting, and many of them being practically self-governing.

I have given these figures simply because in Great Britain is found the best exemplification in the world of "a tariff for revenue only," the goal toward which our Democratic brethren profess to be headed.

Several things are noteworthy.

In the first place, considering only national taxation proper (omitting direct payments to the government for direct services, like the postal revenues and such things), the total national revenues of Great Britain amounted last year in round numbers to \$648,000,000, or about \$16 per capita, while in the United States they amounted to \$284,479,582 from customs, \$230,810,124 from excises, and about \$3,000,000 from other sources—in all to about \$518,000,000, or less than \$6.50 per capita. That is, with twice as many people we collected, for national purposes \$130,000,000 less than did Great Britain. In other words, our taxation for national purposes is considerably less than half as heavy in proportion to population as that of "free trade" England.

By the way, in these indisputable facts there is very little comfort for those who have a sort of vague notion that free trade as illustrated in Great Britain would in some way mean freedom from taxation for national purposes. As a matter of fact, *investigation shows that the cost per capita for the support of our national government is smaller than that of any other civilized country in the world.*

In the second place, it will be noted that *the customs duties in Great Britain, including the export duty collected on coal, amount to about \$4.30 per capita, while in this country the total amount of customs duties amounts to only about \$3.50 per capita.*

In the third place, the table above reveals how few are the articles going into Great Britain upon which the tariff duties are collected; that is, how few are the articles the like of which they do not produce in Great Britain, and consequently the enormous amount that must be produced on each of those few items. As a result, *the rates of duty in Great Britain are very greatly higher than those in the United States.*

In the fourth place, it will be noted that many of these articles on which these enormously high rates of duty are laid are what may be regarded as necessities of the poor man's table—tea, sugar, raisins, coffee, cocoa, currants, etc. So that it is evident that *the poor man feels every day as a great burden the British policy of "a tariff for revenue only."*

*As a matter of fact, our people simply would not tolerate in times of peace such burdensome taxation on the necessities of life.*

#### Customs Tariff of the United Kingdom.

[Return showing the several articles subject to import and export duties in the United Kingdom, and the duty levied upon each article, according to the tariff in operation upon the 1st of August, 1903, together with an account of customs drawbacks and customs charges.—Official.]

##### Import Duties.

##### Articles.

##### Rates of duty. £ s. d.

Beer of the descriptions called Mum, Spruce, or Black Beer and Berlin White Beer, and other preparations, whether fermented or not fermented, of a character similar to Mum, Spruce, or Black Beer, where the worts thereof were, before fermentation, of a specific gravity—

Not exceeding 1215° .....	} for every 36 gallons. }	1	12	0
Exceeding 1215° .....		1	17	6

Beer of any other description where the worts thereof were, before fermentation, of a specific gravity of 1055° .....

0 8 0

And so on in proportion for any difference in gravity.

Cards, playing .....	the doz. packs	0	3	9
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Articles.		Rates of duty.		
		£	s.	d.
Chicory:—				
Raw or kiln-dried.....	the cwt.	0	13	3
Roasted or ground.....	the lb.	0	0	2
Chicory (or other vegetable substances) and Coffee, roasted and ground; mixed....	"	0	0	2
Chloroform.....	"	0	3	3
Chloral hydrate.....	"	0	1	4
Cocoa.....	"	0	0	1
Husks and shells.....	the cwt.	0	2	0
Cocoa or chocolate, ground, prepared, or in any way manufactured.....	the lb.	0	0	2
Cocoa butter.....	"	0	0	1
Coffee.....	the cwt.	0	14	0
Kiln-dried, roasted, or ground.....	the lb.	0	0	2
Collodion.....	the gallon.	1	6	3
Ether acetic.....	the lb.	0	1	11
" butyric.....	the gallon.	0	18	5
" sulphuric.....	"	1	7	5
Ethyl bromide.....	the lb.	0	1	1
" chloride.....	the gallon.	0	16	5
" iodide.....	"	0	14	3
Fruit, dried, or otherwise preserved without sugar:—				
Currants.....	the cwt.	0	2	0
Figs and fig cake, French plums and pruneloes, dried plums not otherwise described, prunes and raisins.....	"	0	7	0
Note.—Tinned and bottled apricots in syrup or water, and apricot pulp, are not liable to duty as preserved plums.				
Apricots, crystalized or glace, are not embraced in this exception, and must therefore be assessed to duty at the rate of 7 s. the cwt.				
See fruit liable to duty as such preserved with sugar.				
Green figs preserved in water to which no sugar has been added, are assessed to duty at 7 s. the cwt. on the weight of figs without squeezing out the contained water.				
Plums include apricots, greengages, and mirabellas.				
Fruit liable to duty such as preserved with sugar—see sugar.				
Glucose, solid.....	"	0	2	9
" liquid.....	"	0	2	0
Molasses and invert sugar and all other sugar and extracts from sugar which cannot be completely tested by the polariscope and on which duty is not otherwise charged:—				
If containing 70 per cent or more of sweetening matter.....	"	0	2	9
If containing less than 70 per cent and more than 50 per cent of sweetening matter..	"	0	2	0
If containing not more than 50 per cent of sweetening matter.....	"	0	1	0
Saccharin and mixtures containing saccharin, or other substances of like nature or use.....	the oz.	0	1	3
Note.—Saccharin and mixtures containing saccharin or other substances of like nature or use must not be imported into the United Kingdom in packages containing less than 11 lbs., and must not be packed with goods of any other description, and must be specially reported and imported and entered for warehousing at the following ports only:—				
Dover, Folkstone, Goole, Grangemouth, Grimsby, Harwich, Hull, Leith, London, Newhaven, Southampton, and West Hartlepool.				
Soap, transparent, in the manufacture of which spirit has been used.....	the lb.	0	0	3
Spirits and strong waters:—				
For every gallon computed at hydrometer proof of spirits of any description (except perfumed spirits) including naphtha or methylic alcohol, purified so as to be potable; and mixtures and preparations containing spirits:—	Imported in casks.	Imported in bottles.		
	£ s. d.	£	s.	d.
Enumerated spirits:				
Brandy..... the proof gallon	0 11 4	0	12	4
Rum..... " "	0 11 4	0	12	4
Imitation rum..... " "	0 11 5	0	12	5
Geneva..... " "	0 11 5	0	12	5
Additional in respect of sugar used in sweetening any of the above tested for strength, if sweetened to such an extent that the spirit thereby ceases to be enumerated spirit...the proof gallon				
	0 0 2	0	0	2
Unenumerated spirits:				
Sweetened..... the proof gallon	0 11 7	0	12	7
(Including liqueurs, cordials, mixtures, and other preparations containing spirits, if tested.)				



Articles.	Imported in casks.			Imported in bottles.		
	£	s.	d.	£	s.	d.
Not sweetened.....the proof gallon (Including liqueurs, cordials, mixtures, and other preparations containing spirits, provided such spirits can be shown to be both unenumerated and and not sweet- ened; if tested.)	0	12	5	0	11	5
Liqueurs, cordials, mixtures, and other pre- parations containing spirits in bottle, en- tered in such a manner as to indicate that the strength is not to be tested.....the liquid gallon	—			0	16	4
Perfumed spirits.....	0	18	1	0	19	1
Any importations of naphtha or methylic al- cohol purified so as to be potable are taken under the heading of unenumerated spir- its.						
The minimum legal sizes of packages of spirits (other than spirits imported in cases) is in casks or other vessels of a size or content of not less than nine gallons.						
Upon payment of the difference between the customs duty and charges on foreign spir- its, and the excise duty on British spirits, for- eign spirits may be delivered under certain conditions for methylation or for use in art or manufacture.						
Sugar:—				Rates of duty.		
Not exceeding 76 degrees of polarization...	the cwt.			£	s.	d.
Exceeding 76 and not exceeding 77.....				0	2	0
“ 77 “ “ 78.....				0	2	0.8
“ 78 “ “ 79.....				0	2	1.6
“ 79 “ “ 80.....				0	2	2.4
“ 80 “ “ 81.....				0	2	3.2
“ 81 “ “ 82.....				0	2	4.0
“ 82 “ “ 83.....				0	2	4.8
“ 83 “ “ 84.....				0	2	5.6
“ 84 “ “ 85.....				0	2	6.5
“ 85 “ “ 86.....				0	2	7.4
“ 86 “ “ 87.....				0	2	8.3
“ 87 “ “ 88.....				0	2	9.2
“ 88 “ “ 89.....				0	2	10.2
“ 89 “ “ 90.....				0	2	11.2
“ 90 “ “ 91.....				0	3	0.4
“ 91 “ “ 92.....				0	3	1.6
“ 92 “ “ 93.....				0	3	2.8
“ 93 “ “ 94.....				0	3	4.0
“ 94 “ “ 95.....				0	3	5.2
“ 95 “ “ 96.....				0	3	6.4
“ 96 “ “ 97.....				0	3	7.6
“ 97 “ “ 98.....				0	3	8.8
“ 98 .....				0	3	10.0
Blacking, liquid, containing sugar or any other sweetening matter.....	“			0	4	2
(Together with the duty on any proof spirit contained therein.)				0	1	0
Note.—An additional ½d. a lb. is chargeable in respect of any of the undermen- tioned sugar articles in the manu- facture of which spirit has been used. Confectionery in the manu- facture of which a greater per- centage of spirit has been used than that covered by the spirit charge of ½d. the lb. shall be chargeable with a spirit duty rate of 1d. the lb., or such spirit duty rate as analysis may show to be necessary.						
Blacking, solid, containing sugar or any other sweetening matter.....	the cwt.			0	1	0
Candied or drained peel.....	“			0	3	0
Caramel, solid.....	“			0	4	2
“ liquid.....	“			0	3	0
Cattle foods, on the entry for which the im- porter declares that duty on the quantity of sweetening matter used in the manufac- ture of goods did not exceed the rate of 6d. the cwt.....	“			0	0	6
Cattle foods, other cattle foods containing molasses or other sweetening matter.....	“			0	1	0
Cherries, drained, imported in bulk.....	“			0	2	3
Chutney.....	“			0	2	0
Cocoanut sugared.....	“			0	2	0
Confectionery containing chocolate, viz.:—						
When the chocolate exceeds 50 per cent of the total net weight.....	the lb.			0	0	2
When the chocolate does not exceed 50 per cent of the total net weight.....	“			0	0	1½
Confectionery, hard, such as:—						
Caraway seeds, &c.....	the cwt.			0	4	2

Articles.	Rates of duty. £ s. d.		
Confectionery, soft, viz. :—			
A. B. Gums imported in bulk, in barrels or cases, on the entry for which the importer has declared that duty on the combined quantity of sugar and glucose used in the manufacture of the goods did not exceed the rate of 2s. the cwt.	the cwt.	0	2 0
Confectionery, other A. B. gums, caramels, chewing gums, jelly beans, Turkish delight, &c.	"	0	3 0
Confectionery made from sugar and containing no other ingredients except flavoring.	"	0	4 2
Confectionery, Licorice—if declared by the importer not to contain more than 30 per cent of added sugar or other sweetening matter, subject to occasional sampling and testing.	"	0	1 3
Flowers, as violets and rose petals, &c., in crystallized sugar, as crystallized fruit.	"	0	4 2
Fruit,* canned and bottled, other than fruit liable to duty as such, preserved in thin syrup.	"	0	1 0
Fruit canned and bottled, other than fruit liable to duty as such, preserved in thick syrup.	"	0	2 6
Fruits,* crystallized, glace and metz, except fruit liable to duty as such.	"	0	4 2
Fruits, imitation crystallized (orange and lemon slices, &c.)	"	0	4 2
Fruit, liable to duty as such, except currants, preserved in sugar, or otherwise, whether mixed with other fruit or not.	"	0	7 0
Fruit* pulp, excepting fruit pulp liable to duty as such, preserved in thin syrup.	"	0	1 0
Fruit* pulp, excepting fruit pulp liable to duty as such, preserved in thick syrup, as jam	the cwt.	0	3 0
*Note.—Tinned and bottled apricots in syrup or water, and apricot pulp, are exempt from duty as preserved plums, and when containing added sugar, are charged with the proper sugar rate of duty as fruit canned or bottled, or fruit pulp in thick or thin syrup, as the case may be. Apricot jam is chargeable with duty at the rate of 3s. the cwt.			
Apricots, crystallized and glace, are not exempt from duty as preserved plums.			
Green figs preserved in syrup, are assessed to duty at 7s. the cwt. of figs without squeezing out the contained syrup, and in respect of the syrup according to its rating of 1s. the cwt. if thin, and 2s. 6d. the cwt. if thick.			
Boxes of mixed fruits, such as "Metz fruits, assorted," and bottles "assorted fruits in syrup," containing articles liable to two or more distinct rates of duty are assessed to duty on the highest rate for the whole weight, but if the various kinds of goods are packed separately, or in such a manner that an account can be taken of each kind, the goods are assessed to duty accordingly.			
Ginger, preserved in syrup or sugar.	"	0	3 0
Marmalade, jams, and fruit jellies, if not made from fruit liable to duty as such.	"	0	3 0
Marzipan.	"	0	2 6
Milk condensed, sweetened, whole.	"	0	1 8
Milk condensed, sweetened, separated or skimmed.	"	0	2 0
Milk condensed slightly sweetened, whether whole, separated or skimmed, if declared by the importer not to contain more than 18 per cent. of added sugar, subject to occasional sampling and testing.	"	0	0 9
Milk Powder:—			
If declared by the importer not to contain any added sugar.	—	Free	
If declared by the importer not to contain more than 36 per cent. of added sugar.	the cwt.	0	1 6
In all other instances, and in cases in which the importer wishes to dispense with sampling and testing.	"	0	3 4
Note.—Importations entered as free will be delivered on deposit of duty at the 1s. 6d. rate, pending analysis. Importations entered at the 1s. 6d. rate are liable to sampling and testing.			
Nestle's Milk Food.	"	0	1 3
Soy, when containing molasses or other sweetening matter.	"	0	1 0
Sugared Almonds:—			
On the entry for which the importer had declared that the sugarcoating does not exceed 72 per cent. of the total net weight			
	"	0	3 0

Articles.		Rates of duty.		
		£	s.	d.
In all other instances.....	the cwt.	0	4	2
Importations entered at 3s. rate are liable to sampling, and are to be occasionally sampled and tested.				
Tamarinds, preserved in syrup.....	"	0	1	0
Other preparations made with added sugar or sweetening matter (other than saccharin).....	"	{ Charged under Sec. 7, Finance Act, 1901.		
Tea.....	the lb.	0	0	6
Tobacco, manufactured, viz. :—				
Cigars.....	the lb.	0	5	6
Cavendish or Negrohead.....	"	0	4	4
Cavendish or Negrohead, manufactured in bond.....	"	0	3	10
Other manufactured tobacco, viz. :—				
Cigarettes.....	"	0	3	10
Other sorts.....	"	0	3	10
Snuff containing more than 13 lbs. of moisture in every 100 lbs. weight thereof.....	"	0	3	7
Snuff not containing more than 13 lbs. of moisture in every 100 lbs. weight thereof..	"	0	4	4
Tobacco unmanufactured, viz. :—				
Containing 10 lbs. or more of moisture in every 100 lbs. weight thereof.....	"	0	3	0
Containing less than 10 lbs. of moisture in every 100 lbs. weight thereof.....	"	0	3	4
Note.—The minimum weight of packages of tobacco allowed to be imported into the United Kingdom is not less than 80 lbs. gross weight. Packages of tobacco must contain tobacco only, and under tobacco are included cigars, cigarillos, cigarettes, and snuff.				
Wine :—				
Not exceeding 30° of proof spirit.....	the gallon	0	1	3
Exceeding 30° but not exceeding 42° of proof spirit.....	"	0	3	0
And for every degree or part of a degree beyond the highest above charged, an additional duty.....	"	0	0	3
The word "degree" does not include fractions of the next higher degree,				
Wine includes lees of wine.				
Additional :—				
On still wine imported in bottles.....	"	0	1	0
On sparkling wine imported in bottles.....	"	0	2	6

### Export Duty.

Coal, cinders, etc., exported, viz:—				
Coal and culm.....	the ton	0	1	0
Coke and cinders.....	"	0	1	0
Fuel, manufactured.....	"	90 per cent		
A rebate of the duty is allowed on coal,		of export duty		
the value of which, free on board, exclusive		on coal.		
of duty, is proved not to exceed 6s. per ton;				
and on fuel, the coal ingredient of which is				
proved not to be of a higher value than 6s.				
per ton.				

### I.—General Customs Order No. 18, of 18th of February, 1904, Containing a List of Customs Duties and Drawbacks.

The list published in this Order, embracing all the changes in the Customs Tariff of the United Kingdom, up to 18th February, 1904, is a reproduction of the seventh edition of said Tariff (No. 2), and first Supplement, as issued by the International Customs Bureau, save the following exception:

The following item has been inserted:

		£	s.	d.
Sugar candy.....	the cwt.	0	4	2

### II.—New Rate of Duty on Tea and Additional Rates of Duty on Certain Descriptions of Tobacco.

[General Customs Order No. 40, of 18th of April, 1904.]

In pursuance of a resolution to be proposed in the House of Commons on the 19th instant, in lieu of the customs duty now payable on tea the following duty is to be charged on and after Wednesday, the 20th instant, and until the 1st of August, 1905, viz.:

		£	s.	d.
Tea.....	the lb.	0	0	8

Under a further resolution to be proposed on the same date, in addition to the duties now payable on tobacco of the following descriptions under Section 1 of the Finance Act, 1898, and Section 2 of the Finance Act, 1900, the following duties are to be levied on and after the 20th instant, viz.:

		£	s.	d.
Cigars.....	the lb.	0	0	6
Cigarettes.....	do.	0	1	0
Tobacco, unmanufactured—				
If stemmed or stripped.....	the lb.	0	0	3



The actual duties payable on these descriptions of tobacco on and after the 20th instant will, therefore, be as follows:

		£	s.	d.
Cigars...	the lb.	0	6	0
Cigarettes.....	do.	0	4	10
Tobacco, unmanufactured:				
If stemmed or stripped—				
Containing 10 lbs. or more of moisture in every 100 lbs.				
weight thereof.....	the lb.	0	3	3
Containing less than 10 lbs. of moisture in every 100 lbs.				
weight thereof.....	the lb.	0	3	7

These increased duties will be leviable on all tea and tobacco of the specified descriptions entered on or after Wednesday the 20th instant, in accordance with Section 7 (2) of the Finance Act, 1901, and on tea and tobacco, previously entered, which are lying in bonded warehouses on that date.

It should also be noted, with reference to the Customs Code, paragraphs 3 and 486, that all tea and tobacco in respect of which duty has been paid at the present rates, but which have not been delivered from bonded warehouses on the morning or the 20th instant, will be liable to the difference of duty hereby involved.

The hum of industry has drowned the voice of calamity and the voice of despair is no longer heard in the United States, and the orators without occupation here are now looking to the Philippines for comfort. As we opposed them when they were standing against industrial progress at home, we oppose them now as they are standing against national duty in our island possession in the Pacific.—President McKinley.

I am a protectionist because facts confront us, not theories. I have seen the wage-earners of Great Britain and continental Europe; know how they live; that they are homeless and landless as far as ownership is concerned; that they are helpless and hopeless as to any brighter future for themselves or their children; that in their scant wages there is no margin for misfortune and sickness, pauperism being the only refuge.—Hon. William P. Frye.

Luxuries to the European laborer are necessities to the American.—Senator Frye, in the American Economist.

The farmer of the West has learned and the farmer of the South ought to learn that when the factory is closed he not only loses customers for his products, but also meets additional competitors in his production. The workman, losing his employment in the factory, settles upon a truck farm and becomes a producer of the products he formerly bought from the farmer. The prosperity of the farmer depends upon the prosperity of those who buy his products.—Hon. P. P. Campbell, in Congress, April 1, 1904.

The job hunts the man, not the man the job. When that condition exists labor is always better rewarded.—President McKinley.

The depression and ruin that was inaugurated with that tariff revision by the Democratic party is vivid in the minds of all.—Hon. P. P. Campbell, in Congress, April 1, 1904.

A tariff for revenue only resulted in cheaper wool, cheaper bread, cheaper everything; there was no doubt about that; but did cheapness produce happiness, as they said it would? No; it produced misery, just as we said it would.—Hon. M. N. Johnson, in Congress, March 24, 1897.

Let us keep steady heads and steady hearts. The country is not going backward, but forward. American energy has not been destroyed by the storms of the past.—President McKinley before Manufacturers' Club, Philadelphia, June 2, 1897.

Experience of more than forty years in business has taught me that under a low or revenue tariff business depression and financial distress has been the rule, while under protection good business and general prosperity has been the result.—Hon. N. D. Sperry, M. C., of New Haven, Conn., in the American Economist.

A condition of prosperity came with the policy of protection and a condition of adversity came when the theory of free trade was yielded to and this has been without an exception.—Hon. P. P. Campbell, in Congress, April 1, 1904.

We have lower interest and higher wages, more money and fewer mortgages.—President McKinley.

## THE IRON AND STEEL INDUSTRY IN THE UNITED STATES.

The development of the iron and steel industries furnishes ample proof of the great benefit of a protective tariff. Before the Revolutionary War Great Britain would not permit these industries to become established in her American colonies. Everything was done to develop manufacturing in the British Islands, but the object was to prevent the colonists from manufacturing for themselves in order to compel them to take what was produced in England at whatever prices the home producers might charge. In 1750 a hatter shop in Massachusetts was declared a nuisance by the British Parliament. In the same year an act was passed permitting the importation of pig iron from the colonies because charcoal, then exclusively employed in smelting the ore, was well nigh exhausted in England. But the erection of tilt-hammers, slitting or rolling mills, or any establishment for the manufacture of steel was prohibited. A law of Virginia to encourage textile manufactures in that province was annulled in England. Lord Chatham declared that "the British colonists of North America had no right to manufacture even a nail for a horseshoe."

The act passed in regard to manufacturing iron and steel read in part as follows: "No mill or other engine for slitting or rolling of iron, or any plating forge to work with a tilt-hammer, or any furnace for making steel, shall be erected or, after such erection, continued in any of His Majesty's colonies in America." A heavy fine was provided for any person using any such "mill, engine, forge or furnace," as mentioned in the act. That act was enforced down to the beginning of the Revolution. The export of wool and woolens from the colonies was forbidden and the transportation of iron wares, linens, woolens, paper, hats, and leather from one colony to another was forbidden, and even the exportation of hats was stopped. The importation of foreign iron into England was stopped by excessive duties, and the colonists were compelled to buy such articles as they might need, not produced at home, entirely from the merchants and manufacturers of England, and, besides, were compelled to sell their produce exclusively in English markets. Those were the conditions that led to the Revolution, and which left the colonies without any manufactures.

### Early Beginnings of the Industry.

One of the first acts of the American Congress provided for a protective tariff, though it was a mere beginning in that direction. British legislation from that time forward was designed as before to prevent as much as possible the growth of manufacturing in the United States. In 1816 Lord Brougham, in a speech in Parliament advocating the increased exportation of British goods to the United States, declared that "it was well worth while to incur a loss upon the first exportation in order by the glut to stifle in the cradle those rising manufactures in the United States which the war had forced into existence contrary to the natural course of things." By means of differential duties in favor of imports in English vessels the British shipping was favored. In 1819 iron imported into England in British ships paid a duty equivalent to \$32.50 a ton and if it came in a foreign ship it had to pay \$39.62 a ton. A large number of articles were absolutely prohibited from entering British ports, or were subjected to duties one-half their value. In all this legislation special efforts were made to protect the British iron and steel industry.

### Rapid Development Under Protection.

After the Revolution the iron and steel industries of the United States slowly and spasmodically developed, though foreign competition was severe. A great deal of the time down to the beginning of the Civil War the duties on iron and steel were not sufficient to afford adequate protection. With the enactment of the Morrill protective tariff in 1861, and with the added stimulus of the Civil War, the iron and steel industries entered upon a period



of extraordinary development which with some interruptions has continued to the present time, greatly surpassing the development of like industries in any other country. In 1860 the United States produced 821,223 tons of pig iron and in 1890 the production reached 9,902,703 tons, and in 1903 was over 18,000,000 tons.

#### **Operation of Democratic and Republican Tariffs.**

During the time of the Democratic tariff act, owing to the depression in business, the production was much less than it was under the McKinley tariff law. In the year 1894 only 6,657,388 tons of pig iron were produced, which was nearly 3,000,000 tons less than were produced in 1890, and in 1896 the production was 600,000 tons less than it was in 1890. But under the Dingley law the production rapidly increased until it reached the total of 18,009,252 tons in 1903. Great Britain last year produced only 9,000,000 tons, or less than one-half the product of the United States, while Germany produced 10,000,000 tons. In five years the production of pig iron in the United States increased seventy-five per cent; in the United Kingdom eleven per cent, and in Germany forty-three per cent. Germany and the United States each have a protective tariff, while England is practically on a free-trade basis.

#### **Conditions in United States Compared with Other Countries.**

The world consumed in 1902 of pig iron 44,557,901 tons, of which forty per cent was made in the United States. The same great development is shown in the production of steel, of which the United States produced 15,000,000 tons in 1902; Germany 7,700,000 tons and Great Britain 5,000,000 tons. The United States produced 2,300,000 tons more than Germany and Great Britain combined. In 1889 the United States produced 7,603,642 tons of pig iron, which at that time was the largest production ever made in this country in one year. Great Britain produced in that year 8,322,824 tons, and she had exceeded the production in the United States in each preceding year. But under the McKinley tariff the production of pig iron increased to 9,202,703 tons in 1890, in which year the product in Great Britain fell off to 7,904,214 tons. Since that time the United States has doubled its production while Great Britain has just about held its own. Germany, which went under a protective tariff in 1879, produced only 4,524,558 metric tons (2,204 pounds) of pig iron in 1889; but in 1900 Germany had increased the production so that her pig iron product was almost the equal of that of Great Britain, and in steel she exceeded Great Britain. In 1902 Germany produced of Bessemer and open-hearth steel 7,664,158 tons, while Great Britain produced only 4,909,067 tons. The United States produced 14,826,092.

#### **Effect of Protective Tariffs Upon the Steel Rail Industry.**

The development of the steel rail industry in the United States has been of enormous benefit to the country, and has demonstrated beyond question the great value of the protective tariff. When it was proposed in 1870 to place a duty of \$28 a ton on steel rails the Hon. S. S. Marshall, a prominent member of the House of Representatives, earnestly protested against the proposed duty because, as he alleged, it would so increase the cost of foreign steel rails that our railroad companies could not afford to import them. The average price of Bessemer steel rails in this country at that time was \$106.75 a ton in currency. The duty of \$28.00 a ton was imposed in that year, and the price of steel rails fell in five years to an average of \$68.75 a ton, and they never rose above those figures, but steadily fell in most of the succeeding years. The reduction in price, owing to the development of this industry, has led to the substitution of steel for iron rails, which are no longer manufactured to any extent. The durability of steel rails is many times greater than that of iron rails, and this has enabled the railroads to increase the size and power of their engines and cars, so that the cost of transportation has been enormously reduced. The United States long since became the largest producer of steel rails in the world, Great Britain long ago having fallen behind. Formerly a large percentage of the rails in use were iron. Now they are practically all steel. The tariff on steel rails in 1870 was 45 per cent ad



valorem. That has been gradually reduced until now it is \$7.84 a ton. In 1902 the production of steel rails in the United States amounted to 2,935,392 tons.

#### **Results of British Investigations—Profits of Labor Under Protection.**

British investigations into a large number of British and American industries, details of which were published in Chambers' Journal and in the London "Times," gave this result: putting the joint product of labor and capital at 100 parts, in England, fifty-six parts go to labor, and in the United States seventy-two parts. The Illinois Steel Company, in which an investigation was made as to the labor cost of producing various articles, established the fact that of the entire cost of pig iron seventy-seven per cent went to labor and twenty-three per cent for materials; of ingots, labor got seventy-nine per cent and the materials cost twenty-one per cent; and of steel rails labor received eighty per cent and the materials cost twenty per cent; and part of the cost of materials was due to labor. Labor secures a larger proportion now than ever before. Common labor gets on the average \$1.50 a day in iron and steel mills in this country; in Great Britain it is paid from seventy-five to ninety-five cents a day, while on the continent of Europe it is paid fifty cents or less a day.

#### **Findings of the Moseley Labor Commission.**

The Moseley Labor Commission, which was composed of leading workmen in various British industries, made a thorough investigation of similar industries in the United States. The report of the Commission on its return to England stated that the pay of blast furnacemen in the United States was forty per cent higher than in England, while iron founders received more than twice as much in the United States as in England; iron and steel workers received pay vastly greater than in England, some rollers in this country receiving as high as \$5,000 per annum, while heaters received from \$7.00 to \$13.00 a day. The pay of Engineers in the United States was given as seventy per cent higher than in Great Britain, while cutters received 100 per cent more in this country. It was stated that the wages of other workmen compared as follows: Cotton spinners, \$16.66 per week in the United States and \$9.50 in England; tailors, 100 per cent higher in the United States; bootmakers, thirty to seventy per cent higher; leather workers, ninety-five per cent higher; bricklayers, three and one-half times more in the United States than in England; plasterers, 100 per cent more; carpenters, \$18.50 in New York and \$6.87 in London; lithographers, \$30.00 in New York and \$11.25 in London; bookbinders, \$20.00 in New York and \$9.00 in London. Those are the figures given after investigation by British workmen, and were published in Great Britain.

#### **Cost of Living.**

The vastly higher wages in the United States are not accompanied by any increase in the cost of living. Mulhall, the well-known English statistician, says that the cost of living on the same quantity of food for each man is as follows: In Great Britain, eleven shillings (\$2.75) per week; United States, ten shillings; Germany, nine shillings; France, eight shillings. If an American workman lived on the same quantity of food as an Englishman, it would cost him less, according to so good an authority as Mulhall, than it costs the British worker.

#### **Labor-Saving Machinery.**

Great improvements have been made in labor-saving machinery in this country, but that machinery is not confined to the United States. In some of the modern steel mills less than one cent per ton is paid to a roller for rolling steel rails, whereas he formerly received fifteen cents a ton, but he makes as much money now at this low price as he did before at the high price. Edwin S. Cramp, Vice-President of the Cramp Shipbuilding Company, in his testimony before the Congressional Commission in-

vestigating the shipping question, told how the exportation of labor-saving machinery has long been a marked feature of the exports of this country. Mr. Cramp said:

"The argument which you have heard urged so often, that the American mechanic can do more than the English mechanic, and that the introduction and application of labor-saving devices enables the American to increase his output very largely over that of England, does not hold good. The same labor-saving devices that we have introduced and applied in America are being introduced and applied in every shipyard in Great Britain, so that the amount of work a man can do there is increasing, and will continue to increase. At the same time we are paying double the wages—from 50 to 100 per cent more—than is being paid in England for the same labor."

Thus any advantages which Americans have in the way of labor-saving machinery are to be found in mills in nearly all foreign countries. Mr. J. Stephen Jeans, Secretary of the British Iron Trade Association, presented to the tariff commission appointed by Mr. Chamberlain, and now investigating that question in England, an exhaustive review of the iron trade in that country. He declared that Great Britain furnished all the advantages of the general proximity of ores and fuel, but that the British iron and steel industries suffered severely from a want of confidence in their future. He said:

#### **High Tariff, High Wages, and High Efficiency go Together.**

"The higher wages paid in the United States is coincident with the higher efficiency of labor, which, however, is not necessarily unapproachable in this country (Britain)."

Mr. Jeans stated that

"a tariff does not in the iron and steel trade prevent a nation from attaining and maintaining the highest industrial efficiency." "The tariff policy of our competitors by guaranteeing within large limits the monopoly of the whole market, and what is perhaps of greater importance, keeping the home market from sudden and violent breaks, must promote continuity in running."

Mr. Jeans stated that in the last ten years under free trade the British iron production had little more than held its own, while the American output trebled in the same time under a protective tariff. Britain, he said, was also beaten in steel, the form in which iron now finds its most important use. England has a 33 1-3 per cent preference in Canada in the way of lower duties, and yet the United States sells to Canada four times as much iron and steel in various forms. The British output of manufactured iron in 1903 was the lowest since 1850. The Bessemer steel output in that year was 154,000 tons less than in 1882.

#### **Export Prices—Why Lower Than Home Prices?**

Much has been said about United States manufacturers selling iron and steel and other products abroad lower than at home. Iron and steel at home are sold at prices fixed by competition, and the law of supply and demand. No corporation has a monopoly of their manufacture. The United States Steel Corporation does not control one-half of the iron and steel capacity of the United States, and the number of independent companies is constantly increasing. The price of steel rails was maintained at \$28.00 a ton as a result of the work of the steel corporation when much higher prices could have been obtained. The policy of the corporation, as stated by its officers, was to try to make money by reducing the cost of production, not by advancing the price to the consumer.

In 1893, under the Cleveland administration, there was a great depression in the iron and steel industry, and prices were abnormally low and unremunerative; wages in the iron trade were also greatly reduced. Soon afterwards there was developed a boom in the iron and steel industries of Great Britain and Germany and their prices went up. That was an opportunity for the American manufacturers of which they took advantage. A serious and prolonged strike in Great Britain subsequently broadened this opportunity. Foreign orders for iron and steel became so numerous that exports of those articles exceeded the imports for the first time in 1893. When the prices of iron and steel recovered in the United States under the Dingley tariff law there was a shrinkage in the foreign demand, and prices abroad, and the exports of iron and steel necessarily declined. In fact, the



home demand brought large importations. At the present time a shrinkage in the home demand has led to increased exportation. The large importations in 1902, \$41,468,826, show that the manufacturers in the United States do not control their home market. Foreigners sell their products here much below the prices they receive at home. German syndicates pay an export bounty to the members of their organizations, and their returns as published show large losses on their foreign trade. This, they explain, is necessary to keep their mills going and maintain prices at home. English newspapers complain that German iron and steel are sold in large quantities at lower prices in British markets than in Germany. The importation of such a large quantity of iron and steel in 1902 shows that the Dingley rates of tariff duties in this country are not too high, since if they were lowered these imports would be enormously increased.

The foreigners have a great advantage in shipping their products to the United States. What are termed tramp vessels call at our ports in large numbers for grain, petroleum, and coal as return cargoes. That these vessels may be properly ballasted on the inward voyage they gladly accept all such heavy products as iron and steel at merely nominal freight rates, frequently as low as \$1.00 a ton, and sometimes as low as twenty-five cents a ton, the American manufacturers having to pay much higher rates on the railroads to reach important points of consumption on the coast are at a disadvantage. German iron and steel manufacturers make a regular practice of selling abroad much lower than at home, and Englishmen do the same to a smaller extent.

Canada pays a bounty of \$3.00 a ton on pig iron produced in that country, and a bounty of \$3.00 a ton on steel ingots.

#### **What the Industrial Commission Found as to Low Export Prices.**

The United States Industrial Commission, after an investigation, found that a very small percentage of the goods exported from the United States are sold cheaper abroad than at home. But this only happens in years of depression. When lower prices have been charged abroad than at home the inducement to do this has been to dispose of a surplus, or to secure entrance into a desirable foreign market, or to retain a foothold in a foreign market that had already yielded profitable returns. These reasons for the occasional cutting of prices require no defense. Even in years of prosperity it sometimes happens that a rolling mill or steel works, when running to its full capacity, produces a surplus of its products beyond the immediate wants of its production by stopping the mill or discharging a part of the employees. It is cheaper to keep the men employed and sell this surplus at cost if necessary than it would be to stop the works temporarily. The manufacturer can produce cheaper when his plant is running full than when it is partly stopped. Our tariff legislation has encouraged manufacturers to seek foreign markets by remitting nearly all of the duties levied on imported raw materials when these raw materials enter into the manufacture of exported finished product. Under the operation of this drawback system some products can be manufactured for sale abroad at a lower cost than they could be supplied to home customers. If this surplus can be sold abroad, even at prices below current quotations, it is better than to reduce customers.

#### **Great Britain a Competitor in Low Export Prices.**

Great Britain early pursued this course of selling abroad cheaper than at home. In 1816 Lord Brougham, in a speech in Parliament advocating the increased exportation of British goods to the United States, declared that "it was well worth while to incur a loss upon the first exportation, in order by the glut to stifle in the cradle those rising manufactures in the United States which the war had forced into existence." In 1854 a British parliamentary commission reported as follows: "The laboring classes generally in the manufacturing districts of this country and especially in the iron and coal districts, are very little aware of the extent to which they are often indebted for their being employed at all to the immense losses which their employers voluntarily incur in bad times in order to destroy foreign competition and to gain and keep possession of foreign markets." That is the kind of competition our manufacturers have to meet.



### Prominent Englishmen Voice Republican Sentiments.

Premier Balfour, of the English Cabinet, declared in a speech last October that the developments of the last half century "had made free trade an empty name and a vain farce." He said: "I confess that when I hear criticism upon the American and German policies which caused these great industrial nations to accompany their marvelous commercial expansion with protective duties which must have thrown a most heavy burden upon the consumer, I feel that they have a retort to which I at least have no reply. Free trade is indeed an empty name and a vain farce." The London "Statist" in an article referred to the fact that under protection the United States "has made more remarkable progress than perhaps any other country in the world." It then refers to England and India under free trade and states that "India has remained poor and famine stricken." In England more than 2,000,000 acres of wheat land have gone out of cultivation in half a century and 1,000,000 fewer men are employed on the land. In the production of manufactured products, taking in the producing nations of the world, Great Britain has fallen from forty-five per cent to less than thirty per cent in the last quarter of a century, while the United States has enormously increased in the same time. General Booth, head of the Salvation Army in London, stated after an examination in 1890 that there were 2,000,000 paupers in Great Britain and 1,000,000 more persons who were nearly paupers. Former Secretary Chamberlain of the British Cabinet has placed the number of paupers in Great Britain at 4,000,000.

### Production and Prices of Bessmer Steel Rails in the United States.

The following table gives the annual production in gross tons of Bessemer steel rails in the United States from 1867 to 1903, together with their average annual price at the works in Pennsylvania and the rates of duty imposed by our Government at various periods on foreign steel rails. Prices are given in currency.

[Note the pyramid of production, the inverted pyramid of prices, and the reduction in the duty.]

Years.	Gross tons.	Price.	Duty.
1867.....	2,277	\$166.00	45 per cent ad valorem to January 1, 1871.
1868.....	6,451	158.50	
1869.....	8,616	132.25	
1870.....	30,357	106.75	
1871.....	34,152	102.50	
1872.....	83,991	112.00	\$28.00 per ton from January 1, 1871, to August 1, 1872; \$25.20 from August 1, 1872, to March 3, 1875; \$28.00 from March 3, 1875, to July 1, 1883.
1873.....	115,192	120.50	
1874.....	129,414	94.25	
1875.....	259,699	68.75	
1876.....	368,269	59.25	
1877.....	385,865	45.50	
1878.....	491,427	42.25	
1879.....	610,682	48.25	
1880.....	852,196	67.50	
1881.....	1,187,770	61.13	
1882.....	1,284,067	48.50	\$17.00 per ton from July 1, 1883, to October 6, 1890.
1883.....	1,148,709	37.75	
1884.....	996,983	30.75	
1885.....	959,471	28.50	
1886.....	1,574,703	34.50	
1887.....	2,101,904	37.08	\$13.44 per ton from October 6, 1890, to August 28, 1894.
1888.....	1,386,277	29.83	
1889.....	1,510,057	29.25	
1890.....	1,867,837	31.75	
1891.....	1,293,053	29.92	
1892.....	1,537,588	30.00	
1893.....	1,129,400	28.12	
1894.....	1,016,013	24.00	
1895.....	1,299,628	24.33	
1896.....	1,116,958	28.00	
1897.....	1,644,520	18.75	\$7.84 per ton from August 28, 1894, to date.
1898.....	1,976,702	17.62	
1899.....	2,270,585	28.12	
1900.....	2,383,654	32.29	
1901.....	2,870,816	27.33	
1902.....	2,935,392	28.00	
1903.....	2,873,228	28.00	

**Advance in Prices of Iron Ore.**

The following table, furnished by the editor of the Iron Trade Review, an accepted authority, shows the prices of iron ore from 1898 to 1903. It will be seen that the advances in the raw material have been very great and account in part at least for the advance in price of the finished article, which is also affected in price by the advance in wages during the same period.

[Furnished by Mr. A. I. Findley, editor of the Iron Trade Review.]

Grades.	1898.	1900.	1902.	1903.
Mesabi Bessemer.....	\$2.15 to \$2.25	\$4.40 to \$4.90	\$3.00 @ \$3.25	\$4.00
Mesabi non-Bessemer..	1.70 to 1.85	4.00 to 4.25	2.60 @ 2.85	3.20
Marquette specular:..				
No. 1 Bessemer.....	3.10 to 3.35	5.93 to 6.48	4.65 @ 5.00	\$4.85 @ \$5.15
No. 1 non-Bessemer..	2.35 to 2.45	5.00	3.80 @ 4.00	4.00 @ 4.25
Chapin.....	2.56	4.96	3.91	.....
Soft hematites, No. 1 non-Bessemer.....	1.80 to 2.00	4.15 to 4.25	3.00 @ 3.25	3.60
Gogebic, Marquette and Menominee No. 1 Bessemer hematites.....	2.75 to 2.95	5.50 to 5.75	4.25 @ 4.65	4.50
Vermilion No. 1 hard non-Bessemer.....	2.50	5.10	4.07	.....
Chandler No. 1 Bessemer.....	3.13	6.00	4.50	.....
Marquette extra low-phosphorus Bessemer	3.65	6.80 to 6.90	5.40	.....

The base price for 1900 of "old range" Bessemer ores, those from the Marquette, Menominee, Gogebic, and Vermilion ranges, have been fixed at \$5.50, against \$2.95 in 1899.

Even supposing that a high tariff is all wrong, it would work infinitely better for the country than would a series of changes between high and low duties.—President Roosevelt, in his *Life of Benton*, p. 224.

The Republican party stands now, as it has always stood and always will stand, for sound money with which to measure the exchanges of the people; for a dollar that is not only good at home, but good in every market place of the world.—Major McKinley to Young Men's Republican Club, June 26, 1896.

The real evils connected with the trusts can not be remedied by any change in the tariff laws. The trusts can be damaged by depriving them of the benefits of a protective tariff only on condition of damaging all their smaller competitors and all the wage-workers employed in the industry.—President Roosevelt at Cincinnati, September 20, 1902.

I yield to no Senator, I yield to no Republican in my attachment to the doctrines of the Republican party. I believe that when the platform was adopted at St. Louis it was a warrant to be executed honestly, fearlessly, faithfully, and I am here, Mr. President, to execute it to the best of my humble ability.—Hon. C. W. Fairbanks, in U. S. Senate, May 20, 1897.

If there is any one quality that is not admirable, whether in a nation or in an individual, it is hysterics, either in religion or in anything else. The man or woman who makes up for ten days' indifference to duty by an eleventh-day morbid repentance about that duty is of scant use in the world.—President Roosevelt at Boston, Mass., August 25, 1902.

All the prosperity enjoyed by the American people—absolutely all the prosperity, without any reservation whatever—from the foundation of the United States Government down to the present time, has been under the reign of protective principles; and all the hard times suffered by the American people in the same period have been preceded either by a heavy reduction of duties on imports or by insufficient protection, thus refuting all free-trade theories on the subject. As I desire my native land to be on the apex of prosperity, rather than under the heel of hard times, I am a protectionist.—David H. Mason, in the *American Economist*.

A tariff which protects American labor and industry and provides ample revenues has been written in public law.

—WILLIAM MCKINLEY.

## THE TIN-PLATE INDUSTRY.

**Established Under McKinley Protection, Checked by Democratic Free Trade, It has Effected a Saving of \$35,000,000 to the Country and Now Gives Employment to 17,000 People, Who Earn \$10,000,000 a Year in Wages.**

By B. E. V. LUTY, Pittsburg.

The American tin-plate industry is the best illustration of the benefit of a protective tariff. It is for this reason that it is singled out by the Democrats for especially vicious attack.

The McKinley protective duty of 2.2 cents a pound went into effect on July 1, 1891. For years prior to that time there was a revenue tariff on tin plate of one cent a pound. Under it no tin plate could be made in the United States, our supply being all imported from Wales, which had a monopoly. The Welsh manufacturers had an understanding among themselves which amounted to a trust, and charged exorbitant prices. The duty, being a revenue one, was paid by the American consumer. The reduced duty of 1.2 cents in the Wilson-Gorman law went into effect on October 1, 1894, and caused a wage dispute which kept all the American tin-plate works closed from that date until the latter part of January, 1895, when they were put in operation at greatly reduced wages. The American tin-plate works were then enabled to operate under the existence of the Wilson-Gorman tariff law because:

### Growth of the Industry.

1. The industry had acquired great momentum under the McKinley law.
2. Economies and new processes were introduced during that period, after great expenditures of time and money.
3. There were heavy wage reductions.
4. The Wilson-Gorman duty of 1.2 cents a pound was 0.2 cent higher than the old revenue duty.
5. The general depression in the iron and steel and other industries, caused by the Wilson-Gorman law, brought the raw materials of tin-plate manufacture in the United States down to lower points than had ever been seen before.

### Five Hundred Mills Busy There.

Up to July 1, 1891, when the McKinley tin-plate duty became effective, over 500 tin mills were kept in practically steady operation in Wales. Since then there has been a continuous succession of strikes and lockouts. The number of mills in operation has fallen below 300 at times, and prices of tin plate in Wales were brought down to a level formerly unknown. The Welsh tin-plate trust was completely broken up. The following table shows the decline in the Welsh tin-plate trade due wholly to the establishment of the American industry, while the partial revival since 1898, due to the opening up of markets in other countries not protected by a tariff, will also be noted:

### British Exports Decrease.

Exports of tin plate from Great Britain to all countries since 1887, in long tons:

Year.	Long tons.
1887 .....	354,773
1888 .....	391,291
1889 .....	430,623
1890 .....	421,797
1891 .....	448,732
1892 .....	395,580
1893 .....	379,233



1894	354,081
1895	365,982
1896	266,955
1897	271,230
1898	250,953
1899	256,629
1900	272,877
1901	271,320
1902	312,206
1903	293,147

The following table gives the imports of tin plate into the United States since 1889 in long tons:

Year.	Long tons.
1889	331,311
1890	329,435
1891	327,882
1892	268,472
1893	253,155
1894	215,068
1895	219,545
1896	119,171
1897	83,851
1898	67,222
1899	58,915
1900	60,386
1901	77,395
1902	60,115
1903	47,360

#### Our Imports are Now Inconsequential.

The great bulk of the imports in these later years was neither for domestic consumption nor subject to the duty, being known as "rebate" plates, on which the duty is refunded by the Government on the export of articles made from them, as will be explained more fully later. Deducting such rebate plates, the imports of tin plate for domestic consumption and subject to the duty have averaged, from July 1, 1897, to March 31, 1904, only 6,320 tons per annum, a wholly inconsequential quantity, and made up wholly of fancy plates sold under special brands.

The following table gives the production of tin plate in the United States in each calendar year since 1891:

Year.	Long Tons.
1891	552
1892	18,803
1893	55,182
1894	74,260
1895	113,666
1896	160,362
1897	256,598
1898	326,915
1899	397,767
1900	302,665
1901	399,291
1902	366,000

#### High and Low Prices.

The following table shows the highest and lowest prices in Vales of full weight coke tin plate since 1889. The great decline caused by the American industry will be noted. The much higher prices in 1899 and 1900 were caused by the great advances in raw materials, especially steel and pig tin, which have occurred all over the world:

Year.	Lowest.	Highest.
1889	12s 9d	18s 0d
1890	13 3	17 3
1891	12 6	12 6
1892	11 9	12 3
1893	10 10½	12 6

1894 .....	10	3	11	0
1895 .....	9	9	10	9
1896 .....	8	10½	10	6
1897 .....	9	9	10	3
1898 .....	9	9	10	6
1899 .....	11	0	15	6
1900 .....	13	3	16	9
1901 .....	12	3	15	3
1902 .....	11	9	14	0
1903 .....	11	0	12	6
1904 (first half) .....	11	6	12	0

The following table gives the average price paid for full weight coke tin plate at New York each year since 1890; prices are for imported plates up to and including 1894 and for domestic plates since then:

1890.....	\$5.15
1891.....	5.30
1892.....	5.34
1893.....	5.15
1894.....	4.57
1895.....	3.66
1896.....	3.63
1897.....	3.26
1898.....	2.99
1899.....	4.50
1900.....	4.82
1901.....	4.34
1902.....	4.27
1903.....	4.07
1904 (first half) .....	3.82

On June 13, 1904, the current market price of tin plate was \$3.45, f. o. b. mill, Pittsburg district, for 100-pound coke plates. This, with 15 cents extra for "full weight" (108 pounds) and freight to New York made the price of full weight plates in New York \$3.79.

#### A Saving of \$35,000,000.

By making a careful estimate of what tin plate would have cost the consumer from the beginning of 1892 to the middle of 1900 had there been no American industry and no protective tariff, and closely calculating what it actually has cost in these years with the protective tariff and the American industry, it has been found that the country has saved to date fully \$35,000,000 through the McKinley tin-plate industry. Most of this saving was due to the American product selling at so much below the imported, but part was due to the lower prices at which the foreign was sold, on account of the competition, before the country made all the tin plate it needed.

#### Earnings Much Higher Than in Wales.

The average weekly earnings of all employees in American tin mills are from two and a half to three times as much as in Wales. This is due mainly to wages being much higher per unit of output, but it is also in part due to the fact that there is a very much greater capital investment per unit of output in America than in Wales. The American manufacturer spends perhaps three times as much money in building his plant and this greater investment enables the men to turn out a greater product per week without greater exertion.

Even per ton, however, American wages are much higher than the Welsh wages. Taking the wages being paid in American mills in June, 1904, the comparison stands as follows, for the single branch known as the hot-mill labor, this being only one step in the process of tin plate manufacture:

	Wales.	United States.
Roller and catcher.....	\$1.96	\$4.60
Doubler .....	1.16	2.26
Heater .....	1.09	2.20
Total .....	\$4.21	\$9.06

Which shows that on these jobs American wages per ton are 115 per cent. higher than in Wales. On account of the greater output, the actual weekly earnings are nearly three times as great as in Wales.

#### **Tin-Plate Is Cheap.**

Tin plate is cheaper in the United States now than it was at any time prior to the passage of the McKinley protective duty, and the present price at New York is only 27 per cent. higher than the lowest price on record at any time.

The following is the cost, delivered New York, of the quantities of tin plate required to make the articles named, based on the open market in May and June, 1904:

	Cents.
Ordinary 2-lb. or No. 2 can.....	0.94
Ordinary 3-lb. or No. 3 can.....	1.34
Half-pint tin cup.....	0.79
Quart tin cup.....	1.34
3-qt. dinner pail.....	4.34
3-qt. dinner pail, plus 1-pt. cup.....	5.26

The famous dinner pail made of American tin, therefore, now costs only what the workman pays for an ordinary street car fare.

#### **Workmen Recognize Tariff's Responsibility for High Wages.**

In October, 1902, the Amalgamated Association of Iron, Steel and Tin Workers gave the clearest recognition that has ever been given of the fact that the tariff is responsible for the wages they receive. The condition was that while the American tin mills had captured practically all the demand for tin plate for domestic consumption, the Welsh manufacturers were still shipping in from a million and a quarter to a million and a half boxes (50,000 to 35,000 tons) of tin plate, which was made into cans for exports of petroleum, fruit, fish, etc., and for some minor purposes. Through the operation of the general drawback law the Government, on the export of these commodities, paid to the exporters 99 per cent. of the duty which had originally been paid on the tin plate so used. Thus the tin plate used in this "rebate trade" was practically duty free. The Amalgamated Association therefore made, in October, 1902, an arrangement with the American Tin Plate Company whereby they would work up plates intended for the rebate trade, at wages 25 per cent. less than the regular scale rate. It was recognized that this percentage did not represent the full concession needed to capture this remaining trade from the Welsh makers, but the company was willing to make up the balance itself.

The plan was put into practical operation by 3 per cent. of the men's total wages being set aside in a special fund, from which withdrawals are made as cans, etc., are exported, equal to 25 per cent. of the wages originally involved. This apparently complicated system was adopted partly because it would have been inconvenient to identify each lot of tin plate as it went through the mill as being intended for export purposes, and the safer plan was adopted of the wage rebate being payable just as the actual exports were made.

By this action the men recognized that the tariff was directly responsible for the wages they were receiving, and showed that they were willing, in competing with Welsh manufacturers operating under no tariff, to make a concession in wages.

To the middle of this year the amount of business done under this arrangement was not very large, as the mills were quite busy on strictly domestic business. In the past few months the rebate business has assumed quite important proportions.

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**I am a protectionist because our country has prospered with protection and languished without it.—Hon. B. F. Jones, in the American Economist.**

**I believe in the doctrine of protection because the facts of our national experience thoroughly exemplify its truth. No great American statesman, except the half-forgotten leaders of the slave power, have disowned the protective system.—Hon. J. P. Dolliver, in the American Economist.**



# THE TEXTILE INDUSTRIES OF THE UNITED STATES.

**How Labor and Agriculture Have Been Mutually Aided and Prices to the Consumer Reduced Under the Protective System.**

[By Edward Stanwood, author of "A History of the Presidency," "American Tariff Controversies of the Nineteenth Century," Etc.]

If one were asked to designate the American industries which may be regarded as the most conspicuous trophies of the protective policy the answer would undoubtedly be: textiles, iron, and glass. The most dramatic conquest the policy can boast is in one branch of the iron and steel industry, namely, that of tin plates. Nonexistent in 1890, it gave employment in 1900 to nearly 15,000 workmen, and provided practically the whole supply of tin plates for the immense canning industry of the country at prices far below those which prevailed when the market was controlled by foreigners.

Nevertheless, the most important achievement of protection is the establishment and development of the mills in which is spun and woven the material of the clothing of the people—cotton, wool, and silk.

The Father of his Country in his first annual address to Congress used the following language:

"A free people ought not only to be armed but disciplined; to which end a uniform and well-digested plan is requisite; and their safety and interest require that they should promote such manufactures as tend to render them independent of others for essential, particularly military, supplies."

Although clothing was one of the articles indispensable in time of war, the manufacture of which it was obviously the duty of Congress to promote, it was not until after the war of 1812 that a serious thought was given by Congress to the protection of the manufacture of cloth of any material. During the period of nonintercourse that preceded the last war with England it was found impossible to buy in the country \$6,000 worth of blankets to supply the Indians. During the war the only way in which clothing could be procured for the soldiers of our Army was by importation secretly from the British provinces in violation of law—a violation at which the Government was compelled, by the necessity of the case, to connive.

After the war the country was flooded with foreign textiles, and the cotton manufacture which had been established under the protection of nonintercourse was brought almost to the verge of ruin. Then began the attempts to foster the cotton and woollen industries by means of a protective tariff, which, often interrupted, have continued to the present time.

## The Cotton Industry.

Cotton manufacture has enjoyed fairly adequate protection for three-quarters of a century. Even under the Walker tariff of 1846 the rate of duty was sufficient to give the home manufacturer fairly complete control of the market for the coarse and medium goods, which constitute by far the largest amount of goods consumed by the average family. Beginning with the Morrill tariff of 1861 adequate protection has at all times been given to almost all classes of cotton manufactures, and the results have been a great growth of the industry, a large employment of labor, and an increasing market for the raw product of southern plantations. Keen domestic competition and improved machinery have reduced the prices of goods enormously. Thus every interest connected with this industry, directly or indirectly, has been benefited—the manufacturer and his employees, the southern planter, and the whole population of the country, because all are consumers of the products of cotton mills. In recent years the United States has begun the

conquest of foreign markets. An export trade established before the civil war reached in 1860 almost \$11,000,000. It did not touch those figures again until 1878, nor did it greatly exceed them until 1896, when the value of cotton goods exported was almost \$17,000,000. Since then the increase of the trade has been rapid. In 1903 the value of cotton goods exported exceeded \$32,000,000. It was smaller in 1904, owing to the abnormal price of raw cotton, which caused a demoralization in this branch of the textile industry throughout the world.

The accompanying table shows the progress made by this industry during the last thirty years under a policy of uninterrupted protection, for the Wilson tariff of 1894, harmful to other manufactures, did not materially reduce the protective duties on cotton fabrics.

	1900.	1890.	1880.	1870.
Number of establishments...	973	905	756	956
Capital.....	\$460,842,772	\$354,020,843	\$208,280,346	\$140,706,291
Wage-earners, average number.....	297,929	218,876	174,659	135,369
Total wages.....	\$85,126,310	\$66,024,538	\$42,040,510	\$39,044,132
Cost of materials used.....	\$173,441,390	\$154,912,979	\$102,206,347	\$111,736,936
Value of products.....	\$332,806,156	\$267,981,724	\$192,090,110	\$177,489,739
Active spindles, number.....	19,008,352	14,188,103	10,653,435	7,132,415
Looms, number.....	450,682	324,866	225,759	157,310
Cotton consumed, bales.....	3,639,495	2,261,600	1,570,344	
Cotton consumed, pounds...	1,814,002,512	1,117,945,776	753,343,981	398,308,257

### The Woollen Industry.

The voyage of the woollen industry has been through seas much more stormy than those over which the cotton manufacturers have passed. The difficulties which have beset it have arisen largely by reason of the complication of protection of wool with protection of wool manufactures. The growers of wool have rightfully contended that they were as deserving of the fostering care of government as were the users of their product. The concession of their contention has resulted, naturally and inevitably, in the requirement of a duty on finished goods which seems excessive to those who are not aware of the peculiar circumstances of the case, and which has made the wool and woollen schedule of the tariff the vulnerable point always chosen by the opponents of protection as the best for an attack and the easiest to carry by assault. There have consequently been many interruptions and variations in the policy of protection, which have prevented the full and healthy development of the industry. At one time, in 1846, a blow was given to the manufacturers by a tariff law which levied no higher duty on finished goods than on raw wool. At another time, under the Wilson-Gorman act of 1894, the woolgrower was struck by a provision making wool duty free.

Yet in spite of opposition and of a vacillating policy the woollen industry has grown to large proportions, taking advantage of favoring laws to increase and gain strength, enduring adverse legislation as best it might, and holding itself ready to make a forward step again when conditions should permit. Although the inherent difficulties and the artificial difficulties resulting from the lack of a continuous and consistent policy have prevented the full development of the industry, and, in consequence, that unimpeded home competition which would bring prices down strictly to the level of the foreign article, yet the difference in price is not great. Upon many varieties of goods the price of American fabrics is as low as that of European fabrics of the same quality plus a rate of duty not higher than the average of a "revenue tariff." Protection has not placed the manufacturers of wool in a position so favorable as that of the manufacturers of cotton, but under the present tariff they are making good progress, and if the policy be continued they will be able to intrench themselves strongly in the home market, to the great advantage of American woolgrowers in a steady demand for their product at reasonable prices, and of 100,000 wage-earners in continuous and remunerative employment,

as well as of the whole American people in an abundant supply of honest goods at fair prices.

The main facts relating to the woolen and worsted industry and to the allied manufacture of hosiery and knit goods, covering the ascertainment at the last three censuses, are presented in the following table:

	1900.	1890.	1880.
Number of establishments.....	2,335	2,489	2,639
Capital.....	\$392,040,353	\$296,494,481	\$159,091,869
Wage-earners, average number.....	242,495	213,859	161,557
Total wages.....	\$82,292,444	\$70,917,894	\$47,389,087
Cost of materials used.....	\$232,230,986	\$203,095,572	\$164,371,551
Value of products.....	\$392,473,050	\$337,768,524	\$267,252,913

#### The Silk Industry.

It is not generally realized that under the operation of a protective tariff the United States has risen almost if not quite to the first rank among the silk manufacturing countries of the world. The census returns in 1900 showed that in that year the value of the silk manufacture of France was \$122,000,000 and that of the United States \$92,000,000, and the rate of progress in this country was and is such that in all probability the relative positions of the two countries have been reversed and that this country now leads in this important manufacture.

In 1870 exactly two-thirds, in value, of the American consumption of silk manufactures was of foreign importation. In that year the total value of silk goods imported and produced at home was \$36,418,995, of which only \$12,210,662 was domestic. In 1900 the value of such goods consumed in the United States had increased almost fourfold and amounted to \$133,807,184, of which four-fifths (\$107,003,650) was of home manufacture. The value of imported silk manufactures increased less than \$2,500,000 in the intervening thirty years; the value of the domestic manufactures increased from \$12,200,000 to \$107,000,000.

The protective tariff created this industry in the United States at the same time that free trade killed the same industry in Great Britain. Fifty years ago the silk manufacturer of England was great and prosperous. The British census of 1851 showed that there were 117,000 hands employed in the Kingdom in the silk mills. Even in 1879 it employed more than 40,000 hands. The system of free imports has rendered it almost extinct. The value of goods produced in 1900 was but \$15,000,000—less than one-sixth that of this country. The destruction of this industry by invited foreign competition is one of the chief points in Mr. Chamberlain's indictment of the free-trade policy.

The beginning of a protective system for the silk manufacture was made in the tariff of 1864, but the excessive internal taxation during and subsequent to the war, the disorganization of labor, and the diversion of capital to more pressing needs prevented the introduction of the manufacture on a large scale. Indeed, although the percentage of growth of the industry between 1870 and 1880 was large, it was not until the tariff act of 1883 adjusted the rates in a satisfactory manner, making raw silk free and allowing an adequate protection on manufactured goods, that the industry began to assume large proportions. It will be seen from the following table that it gave employment in 1900 to more than 65,000 employees who earned wages of nearly \$21,000,000. The table corresponds to those already given for the other industries.

	1900.	1890.	1880.	1870.
Number of establishments.....	483	472	382	86
Capital.....	\$81,082,201	\$51,007,537	\$19,125,300	\$6,231,130
Wage-earners, average number.....	65,416	49,382	31,337	6,649
Total wages.....	\$20,982,194	\$17,762,441	\$9,146,705	\$1,942,286
Cost of materials used.....	\$62,406,665	\$51,004,425	\$22,467,701	\$7,817,559
Value of products.....	\$107,256,258	\$87,298,454	\$41,033,045	\$12,210,662
Raw silk used, pounds.....	9,760,770	6,376,881	2,690,482	684,488



The protective system is establishing the flax, hemp, and jute industries. As compared with cotton, wool, and silk they are still of secondary importance, but are destined, if the policy be continued, to a large growth.

#### What it Means to Labor.

In the aggregate these several branches of the textile industry employed, in 1900, no less than 661,451 hands, who earned in wages the sum of \$209,022,447, and the 4,312 establishments reported produced goods of the value of \$931,494,566. The number of hands employed exceeded by more than 100,000 the total population in 1900 of St. Louis, of Boston, or of Baltimore. But it is always to be borne in mind, first, that on the average each wage-earner provides bread and meat, clothing, and lodging for not less than two persons besides himself; and, secondly, that their wages reach an ever-widening circle of persons engaged in other occupations—grocers, dry goods merchants, carpenters, and the like in the first instance, railroads and their employees, farmers and planters, and an infinite number of others all the way between the first and the last.

#### What It Means to the Farmer.

It is a most serious mistake to suppose that the effect of prosperity or of depression in the manufacturing, particularly in the textile, industry is limited to those employed in the mills and to their employers, or even to the communities and States in which the mills are located. The manufacturing communities in this country are wholly dependent upon the agricultural regions for their food. New England, for example, does not raise enough of any single article of food to supply its own people. Of the two staples, breadstuffs and meat, it does not raise the one-hundredth part of its need. It is therefore vitally important to the farmers of the West that the mill hands shall be steadily employed and that their wages shall be sufficient to enable them to purchase freely. Reduce the tariff, introduce foreign goods instead of domestic, diminish the demand for the products of our own mills, cut wages, close the mills or put them on short time, and you deal a blow directly at the great agricultural regions of the country. You restrict the consuming power of a community—including the wives and children of the operatives—almost equal in numbers to the population of Chicago, and you gain nothing in the form of a foreign outlet for your grain and your meat.

The history of the textile manufacture in brief is this: A great industry has been built up by means of a protective tariff; two-thirds of a million of hands have employment in the factories; the country has become almost independent of a foreign supply of textile goods; the growth of the industry has been accompanied by a steady and in the aggregate a great decline in prices, so that to-day the clothing of the people is not only cheap but nearly or quite as cheap, quality considered, as that of any other nation; and in no branch of the industry is there a monopoly "trust" or the suspicion of a monopoly. No great fortunes have been built up in the textile manufacture. The conquest of the home market will be followed, if the wise policy be continued, by an entrance into foreign markets, and by the leadership of the United States in all departments of this industry.

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**Class appeals are dishonest; \* \* \* they calculate to separate those who should be united, for our economic interests are common and indivisible.—Maj. McKinley to Commercial Traveling Men's Republican Club, September 26, 1896.**

**Arraying labor against capital is a public calamity and an irreparable injury to both.—Maj. McKinley to Commercial Traveling Men's Republican Club, September 26, 1896.**

**The only antitrust law on the Federal Statute books bears the name of a Republican Senator. The law creating an Interstate Commerce Commission bears the name of another Republican Senator and all the law is being enforced by a Republican President.—Hon. E. L. Hamilton, in Congress, April 14, 1904.**

*The textile industries of the United States at decennial periods 1850 to 1900.*

[Compiled from census reports.]

	Year.	Number of estab- lishments.	Capital.	Number of wage earners.	Wages.	Cost of materials.	Value of product.
Wool manu- facture (a).....	1850	1 760	\$32,516,366	47,763	.....	\$29,246,696	\$49,636,881
	1860	1,673	42,849,932	59,522	\$13,361,602	46,649,365	80,734,606
	1870	3,456	132,382,319	119,859	40,357,235	134,154,615	217,668,826
	1880	2,689	159,091,869	161,557	47,389,087	164,371,551	267,252,913
	1890	2,489	296,494,481	213,859	70,917,894	203,095,572	337,768,524
	1900	2,335	392,040,353	242,495	82,292,444	232,230,986	392,473,050
Cotton manu- facture.....	1850	1,094	74,500,931	92,286	.....	34,835,056	61,869,184
	1860	1,091	98,585,269	122,028	23,940,108	57,285,534	115,681,774
	1870	956	140,706,291	135,369	39,044,132	111,736,936	177,489,739
	1880	756	208,280,346	174,659	42,040,510	102,206,347	192,090,110
	1890	905	354,020,843	218,876	66,024,538	154,912,979	267,981,724
	1900	1,055	467,240,157	302,861	86,689,752	176,551,527	339,200,320
Silk manufac- ture.....	1850	67	678,300	1,743	.....	1,093,860	1,809,476
	1860	139	2,926,980	5,435	1,050,224	3,901,777	6,607,771
	1870	86	6,231,130	6,649	1,942,286	7,817,559	12,210,662
	1880	382	19,125,300	31,337	9,146,705	22,467,701	41,033,045
	1890	472	51,007,537	49,382	17,762,441	51,004,425	87,298,464
	1900	483	81,082,201	65,416	20,982,194	62,406,665	107,256,258
Dyeing and finishing tex- tiles.....	1850	104	4,818,350	5,105	.....	11,540,347	15,454,430
	1860	124	5,718,671	7,097	2,001,528	5,005,435	11,716,463
	1870	292	18,374,503	13,066	5,221,538	99,539,992	113,017,537
	1880	191	26,223,981	16,698	6,474,364	13,664,295	32,297,420
	1890	248	38,450,800	19,601	8,911,720	12,385,220	28,900,560
	1900	298	60,643,104	29,776	12,726,316	17,958,137	44,963,331
Flax, hemp and jute.....	1890	162	27,731,649	15,519	4,872,389	26,148,344	37,313,021
	1900	141	41,991,762	20,903	6,331,741	32,197,885	47,601,607
Combined tex- tiles.....	1850	3,025	112,513,947	146,877	.....	76,715,959	128,769,971
	1860	3,027	150,080,852	194,082	40,353,462	112,842,111	214,740,614
	1870	4,790	297,694,243	274,943	86,565,191	353,249,102	520,386,764
	1880	4,018	412,721,496	384,251	105,050,666	302,709,894	532,673,488
	1890	4,276	767,705,310	517,237	168,488,982	447,546,540	759,262,283
	1900	4,312	1,042,997,577	661,451	209,022,447	541,345,200	931,494,566

a. Includes hosiery and knit goods.

*Cotton production and manufacturing in the United States, also imports and exports of cotton manufactures.*

[From the Statistical Abstract of the United States.]

		Total com- mer- cial crop.	Taken for home con- sumption.			Raw cotton imported.	Exports of manu- factures of cotton.	Imports of manu- factures of cotton.
			By North- ern mills.	By South- ern mills.	Total.			
		In thousands of bales.						
							Pounds.	
Democratic years.	1884.....	5,713	1,537	340	1,877	7,019,492	\$11,885,211	\$29,074,626
	1885.....	5,706	1,437	316	1,753	5,115,680	11,836,591	27,197,241
	1886.....	6,575	1,781	381	2,162	5,072,334	13,959,934	29,709,266
	1887.....	6,499	1,687	401	2,088	3,924,531	14,929,342	28,940,353
	1888.....	7,047	1,805	456	2,261	5,497,592	13,013,189	28,917,799
	1889.....	6,939	1,790	480	2,270	7,973,039	10,212,644	26,805,942
	1890.....	7,297	1,780	545	2,325	8,606,049	9,999,277	29,918,055
	1891.....	8,674	2,027	613	2,640	20,908,817	13,604,857	29,712,624
	1892.....	9,018	2,172	684	2,856	28,663,769	13,226,277	28,323,841
	1893.....	6,664	1,652	723	2,375	43,367,952	11,809,355	33,560,293
Democratic years.	1894.....	7,532	1,580	711	2,291	27,705,949	14,340,886	22,346,547
	1895.....	9,837	2,019	852	2,871	49,332,022	13,789,810	33,196,625
	1896.....	7,147	1,605	900	2,505	55,350,520	16,837,396	32,437,504
	1897.....	8,706	1,793	999	2,792	51,898,926	21,037,678	34,429,363
	1898.....	11,216	2,211	1,254	3,465	52,660,363	17,024,092	27,267,300
	1899.....	11,256	2,217	1,415	3,632	50,158,158	23,566,914	32,054,434
	1900.....	9,422	2,047	1,597	3,644	67,398,521	24,003,087	41,296,239
	1901.....	10,339	1,964	1,583	3,547	46,631,283	20,272,418	40,246,935
	1902.....	10,768	2,066	2,017	4,083	98,715,680	32,108,362	44,460,126
	1903.....	10,674	1,966	1,958	3,924	74,874,426	32,216,304	52,462,755

**Relative Price of Cotton and Cotton Goods, 1880 to 1903—A Greater Fall in the Finished Goods than in the Material from Which They Were Manufactured.**

This table gives the production and average annual price of raw cotton and the wholesale price of various grades of cotton goods in the New York market in each year since 1880. It will be seen that while the price of raw cotton in 1903 was practically the same as that of the earlier part of the period, the price of manufactures is in every instance materially lower than at that time, the reduction in price of the goods being in most cases about 25 per cent., showing that the competition among the home producers has steadily reduced prices.

*Production and average prices of middling cotton, and the staple manufactures of cotton, in the New York market each year, from 1866 to 1903.*

[From the Statistical Abstract.]

Calendar years.	Total commercial crop. <sup>a</sup>	Middling cotton per pound. <sup>b</sup>	Standard sheetings, per yard.	Standard drillings, per yard. <sup>a</sup>	New York Mills bleached shirtings, per yard.	Standard prints, per yard.	6-4 by 6-4 printing cloths, per yard.
	Bales.	Cents.	Cents.	Cents.	Cents.	Cents.	Cents.
1880 .....	5,761,000	11.51	8.51	8.51	12.73	7.41	4.51
1881 .....	6,605,000	12.03	8.51	8.06	12.74	7.00	3.95
1882 .....	6,456,000	11.56	8.45	8.25	12.95	6.50	3.76
1883 .....	6,950,000	11.88	8.32	7.11	12.93	6.00	3.60
1884 .....	5,713,000	10.88	7.28	6.86	10.46	6.00	3.36
1885 .....	5,706,000	10.45	6.75	6.36	10.37	6.00	3.12
1886 .....	6,576,000	9.28	6.75	6.25	10.65	6.00	3.31
1887 .....	6,499,000	10.21	7.15	6.58	10.88	6.00	3.33
1888 .....	7,047,000	10.03	7.25	6.75	10.94	6.50	3.81
1889 .....	6,939,000	10.65	7.00	6.75	10.50	6.50	3.81
1890 .....	7,297,000	11.07	7.00	6.75	10.90	6.00	3.34
1891 .....	8,674,000	8.60	6.83	6.41	10.64	6.00	2.95
1892 .....	9,018,000	7.71	6.50	5.60	10.25	6.25	3.39
1893 .....	6,664,000	8.56	5.90	5.72	9.75	5.25	3.30
1894 .....	7,532,000	6.94	5.11	5.07	9.50	4.90	2.75
1895 .....	9,837,000	7.44	5.74	5.69	9.85	5.25	2.86
1896 .....	7,147,000	7.93	5.45	5.48	9.50	4.66	2.60
1897 .....	8,706,000	7.00	4.73	4.75	9.25	4.70	2.48
1898 .....	11,216,000	5.94	4.20	4.10	8.00	3.96	2.06
1899 .....	11,256,000	6.88	5.28	5.13	9.50	4.25	2.69
1900 .....	9,436,000	9.25	6.05	5.95	10.75	5.00	3.21
1901 .....	10,383,000	8.75	5.54	5.48	10.25	4.62	2.84
1902 .....	10,681,000	9.00	5.48	5.52	10.50	5.00	3.11
1903 .....	10,728,000	11.18	6.25	6.37	10.75	5.00	3.25

<sup>a</sup> Years ending August 31.

<sup>b</sup> Including 1881 and since, the price of standard drillings are net; raw cotton prices are also net for the entire period.

Protection has already made us the richest and strongest nation on earth, and under a properly restricted immigration will bring to us much that is most valuable in the population of other lands.—Senator Hoar, in the American Economist.

By the policy of fostering American industries the development of our manufacturing interests have been secured; the inventive genius of our people has found a field; American labor has become the best paid, and consequently our laborers the best housed, clothed, and fed; and the wonderful development and progress in this country in all that makes a people great, have elicited the admiration of the civilized world.—Senator Cullom, in the American Economist.

As a result in a large degree of our protective tariff system the United States has become one of the foremost nations of the world.—Hon. S. M. Cullom,



## PROSPERITY.

Prosperity among all classes of the population of the United States is so evident at the present time that no argument in support of that fact is necessary. The fact is apparent. Yet the constant assertion of the opponents of the Republican party that the prosperity is not general and does not reach to the masses of the people justifies the presentation of some facts and figures by which these false assertions may be readily answered and the real prosperity of the country and its people accurately measured.

### Prosperity Abroad Under Protection.

Before taking up the question of prosperity at home, it may be well to consider what protection and free trade have done in producing prosperity or the reverse in the principal countries of the world.

The great general rule that protection fosters domestic activity and therefore domestic prosperity applies just as strongly to-day as it has all through the history of the various great commercial nations of the world. That protective Germany and the United States have developed a much greater prosperity during the past twenty years than free-trade England is now conceded even by the British themselves, and upon the prosperity of Germany and the United States are based the arguments now being placed before the people of the United Kingdom in favor of the adoption of a protective system.

### GREAT BRITAIN ALONE UNPROSPEROUS.

Right Hon. Joseph Chamberlain, a member of the British cabinet, secretary of state for the colonies, who in 1903 withdrew from his position to lead the fight in favor of a return to protection, says in a signed article prepared for the London Daily Telegraph: "It is not well with British trade. After a long period of success the policy of unrestricted free imports has now shown evident signs of failure. Our exports are stationary in amount and declining in character. We receive from our competitors a larger proportion of manufactured goods, and we send them a larger proportion of raw materials than we used to do. Our supremacy in what have always been considered our standard industries has been wrested from us, or is seriously menaced. One by one markets once profitable and expanding are closed to us by hostile tariffs. We have lost all power of bargaining successfully for the removal or reduction of these barriers to our trade."

Sir Arthur Balfour, the premier of the British cabinet, prime minister and first lord of the treasury, in a letter entitled "Economic Notes on Insular Free Trade," which he says "were circulated to my colleagues in the first days of August, 1903," and which were afterwards made public, says: "The most advanced of our commercial rivals are not only protectionists now but in varying measure are going to remain so. Other nations have in the past accepted the principle of free trade; none have consistently adhered to it. Irrespective of race, polity, and material circumstances, every other physically independent community whose civilization is of the western type has deliberately embraced, in theory if not in practice, the protectionist system."

### LOSS OF BOTH HOME AND FOREIGN MARKETS.

Commenting upon these remarkable utterances from leading officials of the British Government and upon the official figures regarding conditions in the United Kingdom compared with those of other countries, the London Telegraph says: "Internal trade, which the free-import system has enabled protected (foreign) capital to capture, is better worth fighting for than all the foreign markets of the world. Our fiscal system has thrown this vast business at home into the hands of competitors who shut us out from their sphere abroad. \* \* \* Why is our

trade stagnant? Because our products can no longer find in the whole world a single market that is free; and not content with being repulsed in every other country, we surrender our own. \* \* \* In spite of alarmist predictions of the Cobden Club, the United States adopted the McKinley tariff. They knew exactly what they wanted; they believed that the more completely they secured the home market for home enterprise the higher would be the development of their internal industry and the greater, therefore, its success in foreign trade. No estimate was ever more brilliantly verified. \* \* \* Germany under Bismarck abandoned the system of approximate free trade in 1879; she has since achieved the marvelous expansion in manufacture and commerce with which we have had cogent reason to be well acquainted. She has stopped the stream of emigration from her shores; that is the test. The Kaiser's subjects would have continued as before to flow abroad by millions if prospects of prosperity previously unknown had not been opened up at home after the free-import system was abandoned. No competent witness can deny the immense subsequent increase of employment and the remarkable advance in the general well-being of the German people. \* \* \* If you want to judge the progress of home production in any country by the index fact, inquire what are the make and consumption of iron and steel. In the twenty (protection) years before Cobdenism, say 1825 to 1845, we tripled our output of iron. The United States and Germany did exactly the same thing in the two decades of protection, 1880-1900, while we increase our consuming power for iron by 24 per cent. That is the master fact bearing upon the relative progress of home trade. \* \* \* Capital can move from trade to trade and from country to country. The tariffs of the United States and the Continent have compelled many well-known British employers to transfer their undertakings to foreign soil and find employment for foreign workmen. But to a working man the trade he has been taught is his very life. If the ordinary skilled artisan cannot find employment after he attains full manhood in the trade in which he has been brought up he is ruined, unless he emigrates to a country like America, a country with tariff, not only willing to give him employment but give him an absolute guaranty against the displacement of his labor by foreign competition. \* \* \* The working classes in the United States and Germany have been increasing their savings faster than the working classes here. \* \* \* English workmen receive high wages under free trade, but American workmen receive wages from 50 to 100 per cent higher under the tariff."

#### UNPARALLELED SUCCESS OF THE UNITED STATES.

Representative men of other nations have also noted that the prosperity in the United States has come under and by reason of protection. Mr. Mulhall, of the Royal Society of London, in his "Balance Sheet of the World," says: "It would be impossible to find in history a parallel to the progress of the United States in the last ten years. Every day that the sun rises upon the American people it sees an addition of two and one-half million dollars to the accumulation of wealth of the Republic, which is equal to one-third of the daily accumulation of all mankind outside of the United States."

That great statesman of Germany, Prince Bismarck, in a speech before the Reichstag, said: "The success of the United States in material development is the most illustrious of modern time. The American nation has not only successfully borne and suppressed the most gigantic war of all history, but immediately afterwards disbanded its army, found work for all its soldiers and marines, paid off most of its debt, given labor and homes to all the unemployed of Europe as fast as they could arrive within the territory, and still by a system of taxation so indirect as not to be perceived, much less felt. Because of its deliberate judgment that the prosperity of America is mainly due to its system of protective laws, I urge that Germany has now reached that point where it is necessary to imitate the tariff system of the United States."



### **Relation of the Tariffs of the United States to Prosperity or Adversity of the People.**

Before taking up the question of the general prosperity at the present time, it is proper to review briefly the conditions of prosperity and adversity under the various tariffs of the United States from the earliest date, and to note the effect of low and protective tariffs, respectively, upon the conditions among our own people. A brief outline will be given of conditions during the long period prior to 1861, a period in which the protective tariffs were of such short duration as to give only a suggestion of the real benefit of protection when continuously operating upon the great industries of the country. The first really protective tariff period in the United States was from 1812 to 1816, the period in which duties were high through the great increase made in the rates at the beginning of the war of 1812, and so evident was the advantage of protection to our domestic manufactures that President Madison, in a special message, urged upon Congress "deliberate consideration of the means to preserve and promote the manufactures which have sprung into existence and attained unparalleled maturity throughout the United States during the period of European wars." Notwithstanding this urgency a return to low tariff followed, and the British followed the advice of Lord Brougham, who in 1816 said in the House of Commons: "It is well worth while to incur a loss upon the first exportation in order by the glut to stifle in the cradle those infant manufactures in the United States which the war has forced into existence." Following this programme, outlined by Lord Brougham, British manufactures were poured into the United States, and according to Niles, in his history, "great sums of money were expended by the British to destroy our flocks of sheep, that they might thereby ruin our manufactories. They bought up and immediately slaughtered great numbers of sheep; they bought our best machinery and sent it off to England, and hired our best mechanics and most skillful workmen to go to England, simply to get them out of this country, and so hinder and destroy our existing and prospective manufactures." As to the result of this, Senator Benton, a distinguished Democrat, gives this picture of the condition of the times: "No price for property; no sales, except those of the sheriff and the marshal; no purchasers at execution sales, except the creditor, or some hoarder of money; no employment for industry; no demand for labor; no sale for the products of the farm; no sound of the hammer, except that of the auctioneer knocking down property. Distress was the universal cry of the people; relief, the universal demand."

#### **RESULTS OF VARIOUS TARIFFS.**

The response to this universal demand was the protective tariff of 1824-33, of which Henry Clay said: "If the term of seven years were to be selected of the greatest prosperity which this people has enjoyed since the establishment of their present Constitution, it would be exactly that period of seven years which immediately followed the passage of the tariff of 1824," and in regard to the low-tariff period which intervened between the two protective tariff periods, already described, he added: "If I were to select any term of seven years since the adoption of the present Constitution which exhibited a scene of the most widespread dismay and desolation, it would be exactly that term of seven years which immediately preceded the establishment of the tariff of 1824."

In the low-tariff period, 1833-42, which followed the repeal of the protective tariff acts of 1824-28 occurred the great financial crash of 1837, of which Senator Gallinger says: "The whole country went into liquidation, bank loans and discounts fell off more than one-half; the money lost to the country was not less than one billion dollars; all prices fell off ruinously; production was greatly diminished, and in many departments practically ceased; thousands of workmen were idle, with no hope of employment; our farmers were without markets; their farms, teeming with rich harvests, were sold by the sheriff for debts and taxes; the low tariff which robbed the industries of protection also failed to supply Government revenues; the treasury was bankrupt; the reve-



nue fell off 25 per cent., and the Government was obliged to borrow money at high rates of interest to pay current expenses."

Under the third protection period which followed, from 1842 to 1846, prosperity returned, and President Polk, although a Democrat and free trader, was constrained to say in his annual message of December, 1846: "Labor in all its branches is receiving an ample reward, while education, science and the arts are rapidly enlarging the means of social happiness. The progress of our country in her career of greatness, in resources and wealth, and the happy condition of her people, is without an example in the history of nations."

The next free-trade period, from 1846 to 1861, while favored with special conditions of great demand abroad for our farm products and the enormous gold production in California beginning with 1849, was characterized by the greatest business depression. In January, 1855, the New York Tribune said: "The cry of hard times reaches us from every part of the country. The making of roads is stopped; factories are closing; houses and ships are no longer being built. Factory hands, roadmakers, carpenters, bricklayers and laborers are idle and paralysis is rapidly embracing every pursuit in the country. The cause of all this stoppage of circulation is to be found in the steady outflow of gold to pay foreign laborers for the clothing and shoes and the iron and other things that could be produced by American labor, but which cannot be so produced under our present revenue system." And the New York Herald of January 6, 1855, said: "Elsewhere will be found some mention of large failures at Boston and New Orleans. The epidemic has traveled over the whole country. No city of any note can hope to escape." By 1861 the condition had grown so serious that President Buchanan, the last Democratic President before the advent of the Republican party to control of the Government, said in his annual message: "With unsurpassed plenty in all the productions and of all the elements of natural wealth, our manufacturers have suspended, our public works are retarded, our private enterprises of different kinds are abandoned, and thousands of useful laborers are thrown out of employment and reduced to want. We have possessed all the elements of material wealth in rich abundance, and yet, notwithstanding all these advantages, our country in its manufacturing interests is in a deplorable condition."

#### **Permanent Prosperity Under Permanent Protection.**

With the permanent return of protection which followed the advent of the Republican party in 1861, prosperity and wonderful development of the industries of the United States continued uninterruptedly, save in those great periods of adversity which swept over all countries and by which the purchasing power of our foreign customers was greatly reduced.

An indication of the relative development of prosperity under continuous protection following 1861, as compared with that under almost continuous free trade prior to that date, may be had by contrasting conditions in manufacture, in agriculture, in wealth, in bank deposits, and other measures of prosperity in 1890 with those of 1860, the termination of the long low-tariff period. In 1860 the country had had seventy years under the Constitution, and of those seventy years only sixteen were under protection, and they covered such brief and widely separated intervals as to reduce materially their general effect upon the development of the great industries of the country. Following those seventy years of almost continuous low tariff which ended with 1860 came continuous protection down to 1892, when a free-trade President and Congress were elected. It is thus practicable to compare the relative development of the country and the growth of prosperity during two great periods—practically continuous low tariff down to 1860, and continuous protection from 1860 to 1892. While it is true that the actual enactment of a low tariff did not occur until 1894, the effect of the prospective change was felt the very day following the announcement that a low-tariff President and Congress had been elected, since merchants and manufacturers were from that moment unable to safely proceed with their business undertakings in view of

the certainty that changes in the tariff would occur, and the uncertainty as to what those changes would be. A study of the protective-tariff period must therefore contrast the figures of 1892, wherever possible, with those of 1860, the termination of the long period of practically continuous low tariff, and in cases where figures for 1892 are not available those of the census year 1890 are utilized.

#### GROWTH OF WEALTH UNDER LOW TARIFF AND PROTECTION.

The total wealth accumulated in the United States during the seventy years of almost continuous low tariff—from 1790 to 1860—was, as shown by census figures, 16 billions of dollars; by 1890 it had increased to 65 billions, the accumulation during the thirty years of protection being 49 billions, or three times as much as in the seventy years preceding 1860. In the closing decade of the low-tariff period, 1850-60, the wealth of the country increased from 7 to 16 billions, an increase of 9 billion dollars; in the very next decade, despite the war conditions which prevailed, the increase was 14 billions, or 50 per cent more in this decade of protection than in the last decade of low tariff; while in the decade from 1880 to 1890 the increase was 23 billions, or two and one-half times as much as in the last decade of low tariff. The per capita wealth which in 1860, according to the census, was \$514, in 1890 was \$1,038, having a little more than doubled in the thirty years of protection. Money in circulation in 1860 amounted to 435 million dollars, though much of it was of a very unsatisfactory character, being uncertain as to value at points distant from the place of issue. In 1892 the total was 1,601 millions, or practically four times as much as in 1860, and every dollar of it good not only in every part of the country, but in every part of the world. Meantime the per capita money in circulation had grown from \$13.85 in 1860 to \$24.56 in 1892, having thus nearly doubled in the period of thirty-two years under protection.

#### BANK DEPOSITS.

Figures of bank deposits of the various classes which form the grand total are not available for so early a date as 1860, but the statistics of savings-bank deposits are available for that year. They show a total of 149 million dollars for 1860; in 1892 they were 1,713 millions, or more than ten times as much as in 1860. Thus in seventy years of almost continuous low tariff the workingmen of the country, the class whose funds are deposited in savings banks, had only reached a condition in which they were able to have on deposit 149 millions; while after thirty-two years of protection they had 1,713 millions, or more than ten times as much as at the end of the seventy years of low tariff. The number of depositors in savings banks was, in 1860, 693,870, and in 1892, 4,781,605. Contrast the growth in the last decade of free trade with that of the first decade of protection. During the decade prior to 1860, while the population grew from 23 millions to 31 millions, the number of depositors in savings banks increased from 251,354 to 693,870, an increase of only 442,516. In the next decade, despite war conditions and with no increase in territory, and less than the normal increase in population by reason of war and the resulting reduction in immigration, the number of depositors grew from 693,870 to 1,630,846, an increase of 936,976, or more than twice the increase of the former decade. In the ten years prior to 1860 under low tariff the deposits increased \$105,846,374, while in the decade following 1860, under protection, the increase was \$400,596,854; and it must be remembered that during a considerable portion of the second period a large number of the wealth producers of the country were engaged in war.

#### FARM VALUES.

Farm values are another measure of prosperity, and the relation of farm values under a period of protection to that under a period of low tariff is a fair indication of the effect of a manufacturing industry upon the values of farm property. In 1860 the value of farms and farm property in the United States



was 7,980 million dollars, and in 1890 16 billions of dollars, having thus more than doubled in the thirty years of protection, as compared with the accumulations in value during the long period under low tariff. The value of animals on farms in 1860 was 1,089 million dollars; in 1890 it was 2,419 millions, having increased 1,330 millions, or 122 per cent in the thirty years of protection.

#### IRON AND COAL.

Business activity, and especially activity in the manufacturing industries, may be measured with a fair degree of accuracy by the production of pig iron and coal. Up to 1860 the production of coal in the entire country had only grown to 8,513,123 tons; by 1870, under a single decade of protection, the production had grown to 32,863,000 tons, or nearly four times as much as in 1860; and in 1890 it had reached the enormous aggregate of 140,866,931 tons, or sixteen times as much as in 1860. Pig iron production up to 1860 had only reached a total of 821,223 tons, the figures of that year being larger than those of any preceding year. In a single decade, from 1860 to 1870, the production doubled, the figures for 1870 being 1,665,179 tons, while in 1890 the total was 9,302,703 tons. In the manufacturing industries the total number of persons employed in 1860 was only 1,311,246, and in 1890 was 4,712,622, or more than three and one-half times as many as in 1860; while the wages and salaries paid, which amounted to \$378,878,966 in 1860, were in 1890 \$2,283,216,529, or six times as much as in 1860. Thus in 1890, after thirty years of protection, the number of persons employed in manufacturing was nearly four times as many as in 1860 at the end of the low-tariff period, and the sum paid in wages and salaries in the manufacturing industries was six times as great as in 1860. Meantime, it should be remembered, population had barely doubled, the population in 1860 being 31,443,321 and in 1890 62,622,250.

The effect of this increase in production upon the facilities for transportation and the cost of transporting material is shown in the fact that the railways of the country grew from 30,626 miles in 1860 to 166,654 miles in 1890, and the cost of transporting a bushel of wheat from Chicago to New York fell from 24.83 cents in 1860 to 5.85 cents in 1890, as shown by the Statistical Abstract of the United States.

Still another evidence of the relative growth of business activity in the two periods is that of postal receipts of the Post-Office Department. In 1860 they were but \$8,518,067, and had never exceeded that sum in any preceding year. In 1892 they were \$70,930,476, or eight times as much as in 1860, while population meantime had but little more than doubled.

#### Prices Reduced by Domestic Competition.

Meantime the domestic competition brought about by the great home industries built up by the tariff, and despite the existence of a tariff which excluded foreign products, had resulted in a reduction in the price of pig iron from \$22.75 per ton in 1860 to \$15.75 per ton in 1892; of steel rails from \$166 per ton in 1867, the earliest available data, to \$30 per ton in 1892. In the cotton industry alone the wages and salaries paid had grown from 24 million dollars in 1860 to 69 millions in 1890, and the value of the product turned out, from 116 million dollars to 268 millions. Meantime the competition in manufacturing in the domestic market had reduced the price of standard prints from 9.50 cents per yard in 1860 to 6 cents per yard in 1890.

Thus the number of people employed in manufacturing in thirty years of protection practically quadrupled, and the sum paid them in wages and salaries was six times as great as that paid in 1860. Under the increased home market thus offered to the farmers of the country the value of farm property doubled; yet under the competition which grew up within the country among the protected industries meantime, prices of practically all products fell from 25 to 60 per cent, and the cost of transportation was reduced more than 75 per cent. All of the figures above quoted are from the Statistical Abstract of the United States, an official publication and an accepted authority.



### The Cleveland Law Tariff Period.

Following this long period of thirty-two years of protection came four years of low tariff, either actual or threatened. The morning following the election of Cleveland and a Democratic Congress the people of the United States knew that a Democratic low tariff would be enacted. From that moment every importer was expecting to obtain his merchandise from abroad at a less rate through a reduction of the tariff, but was uncertain as to what that reduction would be. The manufacturer was also uncertain as to what the tariff conditions would be with reference to the raw material which he must import for use in his manufacturing. As a consequence merchants who were accustomed to purchase from the home manufacturer were unwilling to give orders because they felt that they might find it profitable to buy from abroad under the reduced tariff. Manufacturers were unable to make contracts both by reason of this fact and the uncertainty regarding the cost of imported materials which they must import.

The effect of this was an immediate check in the manufacturing industries, and this in turn resulted in a reduction in the number of employees and in the wages paid. This condition, in its turn, decreased the market offered by these millions of employees to the farmer, the purchasing power of these millions of employees and of the farmers who were thus affected was reduced, and the retail merchant thus suffered a loss in business; the quantity of material to be carried by the railroads for the manufacturing establishments fell off, and the railroads in turn were compelled to reduce the number and wages of their employees, and this again reduced the purchasing power of that class of citizens. The general result was a great falling off in sales by the merchants and dealers of the country, and a great reduction in their purchases from the manufacturers, who thus found their home market still further reduced by this loss of the earning power of the various classes of consumers, and this in turn reacted upon the financial institutions of the country. Disaster followed disaster and failure followed failure, and in the single year 1893, under the mere shadow of free trade, the certainty of tariff reductions and the uncertainty as to what they would be, the number of failures grew from 10,344 in 1892 to 15,242 in 1893, and the liabilities of the failing firms from \$114,044,167 in 1892 to \$346,779,889 in 1893. The effect upon the great railroad interests of the country was shown in the fact that seventy-four railroads with a mileage of 29,930 miles were placed in the hands of receivers in the single year 1893, while in the years 1895-96, the closing period of low tariff, 26,571 miles of railway, or one-seventh of the entire number of miles in the United States, were sold under foreclosure. Meantime the freight carried, which was 730,605,011 tons in 1892, fell to 674,714,747 tons in 1894, and the number of passengers carried from 575,769,678 in 1892 to 529,756,259 in 1895. Bank clearings of the country, another measure of business activity, fell from \$60,883,572,438 in 1892 to \$45,028,496,746 in 1894, while those of New York alone fell from 36 billion dollars in 1892 to 24 billions in 1894, and did not again reach their normal height until 1898, one year after the restoration of the Republican party and the protective tariff. Large numbers of workmen in the factories lost their employment, and the remainder suffered a reduction in wages. These conditions may be expected to return in case of another low-tariff experiment.

### ENORMOUS LOSSES UNDER LOW TARIFF.

The effect of this upon other industries, especially that of agriculture and those employed in supplying the food, clothing, and household requirements of the persons thus affected, was greatly felt, and in turn caused a reduction in the earnings of those engaged in the various occupations so much dependent upon manufacturing and the prosperity of those engaged therein. How great the loss of earnings and wages can not be told in precise terms. Certain facts, however, which indicate in some degree what the loss was are available. The Massachusetts labor reports, which were showing a steady increase in wages

paid in that State year after year during President Harrison's Administration, showed a decrease in 1893 of over 10 million dollars and in 1894 of over 11 million dollars in the wages of persons employed in the 4,400 manufacturing establishments to which its inquiries were extended. Another inquiry as to wages paid in 200 great manufacturing establishments in the United States from 1890 to 1899 showed that the wages paid in these 200 establishments fell from 53 million dollars in 1892 to 48 millions in 1893 and 40 millions in 1894. Railway employees fell off nearly 100,000 in number, and wages were reduced among those who were so fortunate as to be able to retain their positions. It has been estimated that the loss in earnings by the employees of the manufacturing establishments of the country alone averaged 380 million dollars a year, or over a million dollars a day, during the entire period from the election of Cleveland and a free-trade Congress to the election of McKinley and a protection Congress, while the effect of this loss of earnings upon the other branches of industry and commerce closely allied thereto cannot be measured in figures.

These conditions of adversity in manufacturing, transportation and in other commercial and industrial lines were reflected directly upon the farmers of the country. The manufacturing industries, which draw, according to the census reports, 80 per cent of their materials from the products of agriculture, reduced very greatly their purchases. The millions of men thrown out of employment in the manufacturing establishments and the other industries dependent upon them for their activity reduced their purchases of farm products, and the general depression which came to all classes of citizens was felt finally, and perhaps most heavily, by the farmers, who furnish not only the food supply, but a large part of the material for clothing and other manufactures consumed by the people of the country. The farm value of the wheat produced in the United States, which in 1891 was 513 million dollars, by 1893 was only 213 millions, a fall of more than one-half; in 1894 it was 226 millions, and in 1895, 238 millions. The farm value of the corn crop of the country, which in 1891 was 836 million dollars, was in 1896 491 millions. The value of farm animals, which in 1892 was 2,461 millions, fell gradually, and showed in 1896 a total of only 1,727 million dollars, a reduction of about one-third in value of the animals on the farms, while the percentage of reduction in value of the crops was even greater than this. All of these figures are from the official reports of the Department of Agriculture.

#### **Return of Prosperity Under Protection.**

The very day following the election of McKinley, however, presented a marked change in the industrial condition of the entire country. Mr. McKinley had expressed the opinion that "it is better to open the mills than the mints," and the mills responded the moment his election was assured. The newspapers of the very day following his election teemed with telegrams from all parts of the country announcing that mills and factories which had long been closed were preparing to start up. No one can examine the files of newspapers of that day without being impressed by the promptness with which business responded to an assurance of the restoration of a protective tariff. True, the merchants could not determine accurately the precise increase which would be made in the rates of duty on that which they had to buy; the manufacturers could not determine accurately the increased amount of protection which they would receive; but the name of McKinley, the newly elected President, was so closely identified with the tariff act under which prosperity had existed from 1890 to 1892, and the promise had been so clearly made that a special session of Congress would be called to repeal the existing tariff and restore protection, that the announcement of the election of McKinley and a Republican Congress assured a prompt return to effective protection and therefore employment for the people and earnings with which to purchase the products of the farm and factory.

Money which had been withdrawn from circulation immediately made its appearance. The money in circulation on July 1.



1896, was 1,506 million dollars, on July 1, 1897, 1,640 millions, an increase of 134 million dollars in a single year. From that time on the money in circulation increased steadily, reaching 2,055 million dollars in 1900, 2,249 millions in 1902, and over 2,500 millions in 1904. The per capita of money in circulation, which under Cleveland and low tariff fell from \$24.56 in 1892 to \$21.41 in 1896, passed the \$30 line in the closing months of 1903, and is now nearly \$31. The bank clearings of the country which had fallen from 60 billions of dollars in 1892 to 45 billions in 1894 were 65 billions by 1898, 84 billions by 1900, and 114 billions in 1903. Bank deposits, which stood at 4,916 million dollars in 1896, as against 4,619 in 1892, increased to 5,725 millions in 1898, 7,298 millions in 1900, and 9,673 millions in 1903, being almost twice as great in 1903 as in 1896 at the close of the low-tariff period. The total increase in bank deposits in the four years ending with 1896 was but 300 million dollars, while in the next four years, under protection, the increase was 2,382 millions, or practically eight times as much in the four years of protection as in the four years of threatened and actual low tariff. Savings bank deposits, which in 1892 stood at 1,712 million dollars, were in 1896 but 1,907 millions, an increase of only 195 million dollars during the four years of low tariff influence; but in 1900 the total stood at 2,449 millions, an increase of 542 millions, and by 1903 had reached 2,935 millions, the total for 1903 being 1,223 millions, or 70 per cent, greater than in 1896. The number of depositors in savings banks was in 1896 6,065,494 and in 1903 7,305,228, an increase of 44 per cent.

#### MINERAL PRODUCTION.

Another means of measuring the effect of the low-tariff period upon manufacturing industries is found in the official figures showing the value of minerals produced in the United States. Minerals are so important a factor in the manufacturing industries, supplying as they do not only a considerable part of that which enters into manufactures but the coal with which the raw material is transformed into the finished product, that the record of their production, whether stated in quantity or value, furnishes an important measure of general business activity and prosperity. In 1892, according to the report of the Geological Survey, the value of minerals produced was \$648,895,031, and by 1894 had fallen to \$527,079,225, a decrease of nearly 20 per cent. In 1896 the total mineral production stood at 622 million dollars, and by 1900 had reached 1,063 millions and in 1902 was 1,260 millions, or more than double the value of the product of 1896. This contrast between the two periods—that of low tariff threatened or actual, and that of protection—upon the value of the minerals produced in the United States is extremely important in view of the relation of the mineral industry to the manufacturing industry of the country. During the entire four-year period under low tariffs, threatened or actual, the annual value of minerals produced was less than that of the last year under President Harrison and a protective tariff, while in the six years since the close of the low-tariff period the value of the minerals produced actually doubled.

#### COTTON CONSUMPTION.

Still another measure of manufacturing activity is found in the quantity of cotton consumed by the cotton mills of the United States. The Bureau of Statistics in its official reports shows that the number of bales of domestic cotton taken by the cotton manufacturing establishments of the United States for their own use was, in 1892, 2,856,000 bales, and by 1896 had fallen to 2,505,000 bales. By 1898 the number had reached 3,465,000; in 1900 was 3,644,000; in 1902, 4,083,000; but was reduced slightly in 1903 by reason of the excessively high price of cotton, the total for that year being 3,924,000 bales. Thus during the four years of low tariff, threatened or actual, the domestic cotton used in the mills of the United States actually fell off 350,000 bales, while in the next four years, under protection, the increase was more than one million bales, and in the entire period since 1896 the increase has been 1½ million bales.



## RAILROAD TRANSPORTATION AND EARNINGS OF EMPLOYEES.

Railroad transportation, another index of business conditions, shows greatly increased activity under the return to protection. The number of tons of freight carried one mile, which had fallen from 90 billions in 1893 to 82 billions in 1894, was 97 billions in 1897, 114 billions in 1898, 141 billions in 1900, and 156 billions in 1902, or nearly double that of the lowest point under Cleveland and the low tariff. The number of passengers carried, which fell from 575 millions in 1892 to 529 millions in 1895, was in 1902 655 millions. The number of men employed by the railroads of the country, which had fallen from 821,415 in 1892 to 779,608 in 1894, rapidly increased and by 1898 was 874,558, in 1900 was 1,017,653, and in 1902, 312,537. The compensation paid to all railroad employees in 1895 was, according to the report of the Interstate Commerce Commission, \$445,508,261; by 1899 it was \$522,577,896, and in 1903, \$757,321,415, *an increase of 311 million dollars, or 70 per cent, in the annual earnings of railroad employees of the country compared with 1895, under the low tariff.*

## WAGES AND SALARIES.

The increase in earnings of persons employed in the manufacturing establishments of the country can only be estimated, owing to the fact that reports on this subject are made by the United States Census, and therefore figures are only available for decennial years. The fact, however, that the production of pig iron—that barometer of business conditions in manufacturing interests—fell from 9 million tons in 1892 to 6½ millions in 1894; that the value of minerals produced fell from 648 million dollars in 1892 to 527 millions in 1894; that the importation of raw material for use in manufacturing fell from 197 million dollars in 1892 to 126 millions in 1894; coupled with the well-known fact of general depression among manufacturers and the armies of unemployed who marched upon Washington demanding legislation which would give them occupation—shows that the actual loss in earnings during the low-tariff period must have been very great; while the fact that the census figures of 1900 showed wages and salaries paid in manufacturing establishments at \$2,735,430,848, against \$2,283,216,529 in 1890 indicates that the recovery from the depression of 1893-96 must have been very rapid, and that the annual earnings of the employees of the manufacturing establishments of the country are now many hundreds of millions in excess of those of the low-tariff years.

## GREAT BENEFIT TO THE FARMERS.

All of these important conditions in the earnings of the manufacturing industries and the earnings of their workmen—the increase of 50 per cent in sums paid to railway employees, the increase of 66 per cent in the amount of money in circulation, the increase of 60 per cent in the value of agricultural products exported—have had a marked effect upon the prosperity of the farmer. Just as the closing of factories, the suspension of railway activities, and the general business depression caused an enormous decrease in the value of farm products of all classes, so the increased activity in manufacturing, the increased wages paid to workmen in the factories, the increase in earnings of railway employees, the improvement in general business activities, and the increase in exportations have increased the value of the products of the farm. The farm value of the wheat crop of the United States in 1893, as shown by the official figures of the Department of Agriculture, was 213 million dollars; in 1894, 226 millions; in 1895, 238 millions; and in 1903, 443 millions, or more than double the annual average during the years 1893-95. The farm value of the corn crop was 591 million dollars in 1893, 554 millions in 1894, 545 millions in 1895, and 491 millions in 1896, an annual average of 536 millions; while in 1902 the farm value of the corn crop was 1,071 millions, or practically double the annual average value during the Cleveland low-tariff period. The farm value of the cotton crop of the United States was in 1893 268 million dollars; in 1894, 264 millions; in 1895, 262 millions, and in 1896, 269 millions—an annual average of 266 millions; while for the year 1901 the value was 469 millions, or

75 per cent. greater than the annual average during the Cleveland low-tariff administration, and in 1903 was about equal to that of 1901. The wool production of the country, which fell from 303 million pounds in 1893 to 209 millions in 1895, was in 1902 316 million pounds, and with prices fifty per cent higher than those of the low-tariff period when wool from abroad was being imported free of duty. The value of animals on farms, which fell from 2,483 million dollars in 1893 to 1,767 millions in 1896, in 1901 for the first time passed the three billion dollar line, being 3,011 millions, and in 1903 was 3,102 millions, having doubled in value.

### **Prosperity Under President Roosevelt.**

The prosperity which has been a feature of business conditions since the return of the Republican party to control and the enactment of a protective tariff has been quite as strongly marked under the administration of President Roosevelt as at any time in the history of the country. This fact should be of itself a sufficient reply to the cry of the opposition that "Roosevelt is an unsafe man for President." No factor in our national life is more sensitive to adverse or even doubtful conditions than business and finance. In order to test thoroughly the condition of business during President Roosevelt's Administration with that of former years a table has been prepared and presented herewith (p. 116), compiled in all cases from official figures, showing conditions in the various lines of business and industry in the last year of President Roosevelt's term, 1903, compared with the last full year of President McKinley's Administration, 1900, the last full year under President Cleveland, 1896, and the last year under President Harrison, 1892. This table shows, for example, that the money in circulation in 1892, the last year under President Harrison, was 1,601 million dollars; in 1896, the last year under President Cleveland, 1,506 millions; in 1900, the last year under President McKinley, 2,055 millions, and in 1903, the last year under President Roosevelt, 2,367 millions, and it may be added that at the present time the total exceeds 2,500 millions. The per capita of money in circulation in 1892 was \$24.56; in 1896, \$21.41; in 1900, \$26.94, and in 1903, \$30.38. This does not look as though capital or money, the most conservative of business factors and the most prompt in responding to adverse conditions, find cause for alarm in the administration of President Roosevelt. Savings-bank deposits, which were 4,781 million dollars in 1892, 5,065 millions in 1896, and 6,107 millions in 1900, were 7,305 in 1903. Total bank deposits, which were 4,619 millions in 1892, 4,916 millions in 1896, and 7,208 millions in 1900, were 9,673 millions in 1903. Bank clearings for the entire country, which were 61 billion dollars in 1892, 51 billions in 1896, and 84 billions in 1900, were 114 billions in 1903. Tons of freight carried on the railroads of the country, which amounted to 730 millions in 1892, 773 millions in 1896, and 1,071 millions in 1900, were in 1902, the latest available year, 1,192 millions. These are a few of the more important items, any one of which may be considered a fair index of business activity and prosperity. But each of the forty-odd items composing the table tells its own story of the prosperity of the particular industry to which it is related.

Single-year statements are, however, sometimes misleading, and in order that there may be no doubt as to the perfect fairness of this comparison another table is presented showing the annual average of each of the forty-odd articles included in the above-mentioned table during the four years of 1893, 1894, 1895, and 1896 of President Cleveland's term; 1897, 1898, 1899, and 1900, the four full years of McKinley's first term, and the years 1901, 1902, and 1903, under President Roosevelt. Attention is especially called to this table showing the annual average in business conditions during the three presidential periods, which while it fully confirms the table above referred to, strengthens the general statement by its indication of the steady upward movement of business conditions which has characterized the entire seven years since the close of President Cleveland's term and maintained its upward movement down to the latest date for which figures are available.

These tables have been prepared with great care from official records in every instance, and their accuracy and fairness cannot be called in question. Attention is especially called to their value not only as an evidence of continued prosperity in every branch of our industries and business but as a complete refutation of the attacks made upon the administration of President Roosevelt in its effect upon the business and industrial conditions of the country.

### Prosperity vs. Adversity.

*Table of Annual Averages of National Financial and Industrial Conditions During the Administrations of Presidents Cleveland, McKinley and Roosevelt.*

[Annual average for periods named.]

[Compiled from the Statistical Abstract of the United States.]

	1893-1896	1897-1900	1901-1903
	Millions	Millions	Millions
Interest-bearing debt.....	696	941	944
Annual interest charge.....	27.9	37.5	27.6
Annual interest per capita.....	\$0.41	\$0.48	\$0.35
Treasury receipts, net ordinary.....	331	459	570
Government expenditures, ordinary.....	335	436	465
Money in circulation.....	1,592	1,859	2,264
Money in circulation, per capita.....	\$23.29	\$25.13	\$28.61
Bank clearings, total.....	51,700	73,300	114,960
Bank clearings, New York.....	29,066	45,131	74,202
Bank deposits, total.....	4,757	6,223	9,139
Bank deposits, savings.....	1,813	2,169	2,760
Depositors in savings banks.....	4.9	5.6	6.8
Industrial life insurance in force.....	793	1,217	1,723
Life insurance, total, in force.....	5,635	7,394	10,051
Imports, total.....	758	732	917
Exports, total.....	856	1,251	1,430
Excess of exports over imports.....	98	519	513
Exports of manufactures.....	188	335	407
Imports of raw material for manufacturing.....	183	253	327
Gold: Excess imports over exports.....	* 50	50	4.5
Exports to Asia and Oceania.....	20	49	57
Crude rubber imports.....pounds..	38	45	53
Pig tin imports.....do.....	42	63	80
Tin plate imports.....do.....	494	164	142
PRODUCTION.			
Coal.....tons..	165	210	270
Pig iron.....do.....	7.96	12.21	17.27
Steel rails.....do.....	1.27	1.75	2.73
Steel, total.....do.....	4.96	9.23	14.21
Tin plate.....pounds..	226	698	857
Minerals, total value.....	575	731	1,136
Cotton, total value.....	266	300	334
Beet sugar, 1,000 tons.....	26	54	170
Wool.....pounds..	271	272	302
Raw silk, imports.....do.....	8.02	11.09	13.30
Cotton used in manufacturing.....tons..	2.51	3.38	3.85
Animals on farms, total value.....	2,050	1,942	3,034
Horses on farms, total value.....	709	512	1,005
Cattle on farms, total value.....	879	1,060	1,325
Sheep on farms, total value.....	87	97	161
Net earnings of railways.....	333	416	540
Dividends paid by railways.....	83	107	168
Passengers carried 1 mile.....	556	529	640
Freight carried 1 mile.....tons..	89	100	155
Miles placed under receivership.....	11,474	1,697	193
Miles sold under foreclosure.....	7,951	5,125	795
Miles built.....	1,900	2,891	4,439
Average receipts per ton mile.....	\$0.85	\$0.76	\$0.75
Tonnage of vessels passing through Sault Ste. Marie Canal.....	14	20	28
Failures, liabilities of.....	230	128	128
Post office receipts.....	77	92	122
Wheat, average price of.....	\$0.70	87.6	83.1
Corn.....	41.4	39.0	45.5
Oats.....	31.3	27.5	40.8
Homestead entries.....	6,174	6,328	14,241

\*(Excess exports.)

It is foolish to pride ourselves upon our progress and prosperity, upon our commanding position in the international industrial world, and at the same time have nothing but denunciation for the men to whose commanding position we in part owe this very progress and prosperity, this commanding position.—President Roosevelt at Cincinnati, Ohio, September 20, 1902.



## SAVINGS BANK DEPOSITS.

The tables which follow relate to savings banks and savings-bank deposits in the United States and show conditions from 1820 down to the present time. They are prepared by the Comptroller of the Currency and may be accepted as an official and reliable statement of the condition of the savings banks of the United States during that period. A careful study of these tables will develop some startling facts with reference to the growth of savings banks under protection. During the long period of almost continuous low tariff prior to 1861 deposits in the savings banks of the country had never reached so much as 150 million dollars, the highest point being 149 millions in 1860. By 1870 the deposits in savings banks had trebled, being in that year 549 million dollars, the increase during the decade ending with 1870 being 400 million dollars, or nearly three times as much as the growth during the 40 years from 1820 to 1860. In the next decade, ending with 1880, the increase was 270 million dollars; in the next decade, ending with 1890, over 700 millions, and in the decade ending with 1900 more than 800 million dollars. Attention is especially called to the contrast between conditions during the recent low-tariff period and those under protection. In 1893 the deposits in the savings banks of the United States were 1,785 millions, and in the following year dropped to 1,747 millions, an actual decrease of 38 million dollars. The average per capita savings bank deposits in the United States, which in 1893 stood at \$26.63, fell to \$25.53 in 1894, \$25.88 in 1895, \$26.56 in 1896, and \$26.68 in 1897, the per capita being thus less on July 1, 1897, at the close of the Cleveland low-tariff period than it was on July 1, 1893, practically the beginning of that period. Immediately following the return to protection, however, the total savings-bank deposits and the per capita of such deposits began to increase, and the per capita of savings-bank deposits has grown from \$26.56 in 1897 to \$36.52 in 1903, an increase of 37 per cent.

Attention is also called to the table which follows that above alluded to, which shows the deposits by States, and to another table which shows the deposits and number of depositors, etc., in each of the principal countries of the world. It will be seen that the total deposits in savings banks in the United States exceed those in any other country of the world, and that the average for each depositor is also greater in the United States than in any other country. A comparison of the figures of this last-mentioned table with those of the table showing deposits by States shows that the total amount of deposits in the single State of New York, with its 7½ millions of population, is greater than that in all the United Kingdom with its 42 millions of people; while a comparison of other States with the less important countries is also interesting.

The table which shows the total bank deposits in each State may prove convenient for reference, especially in considering the effect of manufacturing industries upon the business activity and prosperity of the States in which they are located.

The table on pages 107-108 are especially interesting in their showing the conditions relative to prosperity during recent years. It will be noted that although the number of savings banks depositors and the amount of their deposits was rapidly increasing prior to 1892, there was but little increase in 1893 and an actual decrease in 1894 in the number of banks, the number of depositors, the amount of money deposited, the average amount due each depositor and the average per capita of deposits in the United States. The falling off in amount of deposits in 1894 compared with 1893 was nearly \$40,000,000. This is a marked contrast with conditions in more recent years in which the increase in deposits in the savings banks has averaged more than \$100,000,000 a year since 1897. The total amount of deposits in the savings banks of the United States has increased 50 per cent since 1897.

Attention is also especially called to the table on page 108 which shows the number of depositors and deposits in the savings banks of the principal countries of the world and shows a larger sum deposited in savings banks of the United States than those of any other country and a larger average deposited per individual in the United States than in any other country.

*Number of savings banks in the United States, number of depositors, amount of savings deposits, average amount due each depositor in the years 1820, 1825, 1835, 1840, and 1845 to 1899, and average per capita in the United States in the years given.*

[Compiled in the office of the Comptroller of the Currency.]

Year.	Number of banks	Number of depositors	Deposits.	Average due each depositor.	Average per capita in the United States.
1820.....	10	8,635	\$1,138,576	\$131.86	\$0.12
1825.....	15	16,931	2,537,082	149.84	.23
1830.....	36	38,085	6,973,304	183.09	.54
1835.....	52	60,058	10,613,726	176.72	.72
1840.....	61	78,801	14,051,520	178.54	.82
1845.....	70	145,206	24,506,677	168.77	1.23
1846.....	74	158,709	27,374,325	172.48	1.33
1847.....	76	187,739	31,627,497	168.46	1.50
1848.....	83	199,764	33,087,488	165.63	1.52
1849.....	90	217,318	36,073,924	165.99	1.60
1850.....	108	251,354	43,431,130	172.78	1.87
1851.....	128	277,148	50,457,913	182.06	2.10
1852.....	141	308,863	59,467,453	192.54	2.40
1853.....	159	365,538	72,313,696	197.82	2.82
1854.....	190	396,173	77,823,906	196.44	2.94
1855.....	215	431,602	84,290,076	195.29	3.09
1856.....	222	487,986	95,598,230	195.90	3.40
1857.....	231	490,428	98,512,968	200.87	3.41
1858.....	245	538,840	108,438,287	201.24	3.64
1859.....	259	622,556	128,657,901	206.66	4.21
1860.....	278	693,870	149,277,504	215.13	4.75
1861.....	285	694,487	146,729,882	211.27	4.58
1862.....	289	787,943	196,434,540	215.03	5.18
1863.....	293	887,096	206,235,202	232.48	6.18
1864.....	305	976,025	236,280,401	242.08	6.94
1865.....	317	980,844	242,619,382	247.35	6.98
1866.....	336	1,067,061	282,455,794	264.70	7.96
1867.....	371	1,188,202	337,009,452	283.63	9.31
1868.....	406	1,310,144	392,781,813	299.80	10.62
1869.....	476	1,466,684	457,675,050	312.04	12.12
1870.....	517	1,630,846	549,874,358	337.17	14.26
1871.....	577	1,902,047	650,745,442	342.13	16.45
1872.....	647	1,992,925	735,046,805	368.82	18.11
1873.....	669	2,185,832	802,363,609	367.07	19.25
1874.....	693	2,293,401	864,556,902	376.98	20.20
1875.....	771	2,359,864	924,037,304	391.56	21.24
1876.....	781	2,368,630	942,350,255	397.42	20.86
1877.....	675	2,395,314	866,218,306	361.63	18.69
1878.....	663	2,400,785	879,897,306	366.50	18.49
1879.....	639	2,268,707	802,490,425	353.72	16.42
1880.....	629	2,335,582	819,106,973	350.71	16.33
1881.....	629	2,628,749	891,961,142	352.73	17.38
1882.....	629	2,710,354	966,797,081	356.70	18.42
1883.....	630	2,876,438	1,024,856,787	356.29	19.09
1884.....	636	3,015,151	1,073,294,955	355.96	19.55
1885.....	646	3,071,495	1,095,172,247	356.56	19.51
1886.....	638	3,158,950	1,141,530,578	361.36	19.89
1887.....	684	3,418,013	1,235,247,371	361.39	21.05
1888.....	801	3,838,291	1,364,196,550	355.41	22.75
1889.....	849	4,021,523	1,425,230,349	354.40	23.25
1890.....	921	4,258,893	1,524,844,506	358.03	24.35
1891.....	1,011	4,533,217	1,623,079,749	358.04	25.29
1892.....	1,059	4,781,605	1,712,769,026	358.20	26.11
1893.....	1,030	4,830,599	1,785,150,957	369.55	26.63
1894.....	1,024	4,777,687	1,747,961,280	365.86	25.53
1895.....	1,017	4,875,519	1,810,597,023	371.36	25.88
1896.....	988	5,065,494	1,907,156,277	376.50	26.68
1897.....	980	5,201,132	1,939,376,035	372.88	26.56
1898.....	979	5,385,746	2,065,631,298	383.54	27.67
1899.....	987	5,687,818	2,230,366,954	392.13	29.24
1900.....	1,002	6,107,083	2,449,547,885	401.10	31.78
1901.....	1,007	6,358,723	2,597,094,580	408.30	33.45
1902.....	1,036	6,666,672	2,750,177,290	412.53	34.89
1903.....	1,078	7,305,228	2,935,204,845	417.21	36.52

*Number of savings depositors, aggregate savings deposits, and average amount due to depositors in savings banks in each State in 1901-2 and 1902-3.*

[From report of the Comptroller of the Currency.]

States, etc.	1901-2 (1,036 banks).			1902-3 (1,078 banks).		
	Number of depositors.	Amount of deposits.	Average to each depositor.	Number of depositors.	Amount of deposits.	Average to each depositor.
Maine.....	193,005	\$72,082,694	\$373.47	208,141	\$74,781,073	\$359.28
New Hampshire.....	147,928	60,249,862	407.29	155,309	63,919,183	411.56
Vermont.....	128,529	41,987,497	326.68	134,323	44,628,150	332.24
Massachusetts.....	1,593,640	560,705,752	351.84	1,660,814	586,937,084	353.40
Rhode Island.....	138,366	71,900,541	519.64	150,342	74,534,628	495.77
Connecticut.....	425,588	193,248,909	454.07	444,407	203,522,226	457.96
<b>Total New England States.....</b>	<b>2,627,056</b>	<b>1,000,175,255</b>	<b>380.72</b>	<b>2,753,336</b>	<b>1,048,322,344</b>	<b>380.74</b>
New York.....	2,229,661	1,051,689,186	471.68	2,327,812	1,112,418,552	477.88
New Jersey.....	227,130	69,866,709	307.60	238,210	73,722,729	309.48
Pennsylvania.....	396,877	120,441,275	303.47	407,652	128,514,295	315.25
Delaware.....	4,187	1,265,586	302.26	4,217,92	6,586,851	302.26
Maryland.....	186,293	64,367,767	345.52	155,299	62,253,508	400.86
District of Columbia.....	10,845	1,309,555	120.75	11,758	1,654,715	140.73
<b>Total Eastern States.....</b>	<b>3,054,993</b>	<b>1,308,940,078</b>	<b>428.46</b>	<b>3,162,523</b>	<b>1,385,150,650</b>	<b>437.99</b>
West Virginia.....	4,687	680,372	145.16	4,853	836,358	172.33
North Carolina.....	12,201	2,451,838	200.95	17,721	3,282,164	185.21
<b>Total Southern States.....</b>	<b>16,888</b>	<b>3,132,21</b>	<b>185.47</b>	<b>22,574</b>	<b>4,118,522</b>	<b>182.44</b>
Ohio.....	103,405	48,180,438	465.94	108,854	52,306,123	480.51
Indiana.....	24,362	7,288,506	299.17	24,733	8,072,500	326.88
Illinois.....	277,879	100,672,804	360.13	336,991	119,721,739	331.64
Wisconsin.....	3,908	719,009	183.98	4,290	810,533	188.93
Minnesota.....	63,293	15,526,701	245.31	69,763	18,624,665	266.97
Iowa.....	238,421	85,703,614	359.46	240,063	86,602,757	360.75
<b>Total Middle States.....</b>	<b>711,268</b>	<b>257,491,072</b>	<b>362.02</b>	<b>808,694</b>	<b>286,138,317</b>	<b>353.83</b>
California, total Pacific States.....	256,467	180,438,675	703.55	288,101	211,475,012	734.03
<b>Total United States.....</b>	<b>6,666,672</b>	<b>2,750,177,290</b>	<b>412.53</b>	<b>7,035,228</b>	<b>2,935,204,845</b>	<b>417.21</b>

*a* Estimated.

*b* Partially estimated.

*c* Savings deposits in State institutions having savings departments; abstract of reports included with State banks.

*Depositors, amount of deposits, and average deposit in all savings banks, and average deposit per inhabitant, according to latest available information.*

[From 1903 report of the Comptroller of the Currency, and the Statesman's Yearbook for 1904.]

Countries.	Number of depositors.	Deposits.	Average deposit.
Austria.....	4,946,307	\$876,941,933	\$177.29
Belgium.....	1,908,463	150,191,761	78.69
Denmark.....	1,176,853	176,244,144	150.00
France.....	11,051,979	854,879,328	77.85
Germany.....	14,863,956	2,103,582,754	141.52
Hungary.....	1,202,889	283,995,000	236.09
Italy.....	6,021,662	431,764,353	71.70
Netherlands.....	1,256,451	69,831,686	55.58
Norway.....	695,524	86,292,423	124.06
Russia.....	4,517,342	491,317,622	108.76
Finland.....	181,269	15,700,000	86.61
Sweden.....	1,865,596	143,418,740	76.87
United Kingdom.....	10,803,555	959,236,637	88.80
Australasia.....	1,287,966	202,494,802	157.22
Canada.....	211,762	58,868,347	277.99
Cape Colony.....	101,017	14,805,849	146.57
British India.....	866,693	34,656,342	39.98
British colonies other N. S.....	19,331,000	18,356,827	72.51
Japan.....	6,506,717	35,852,467	5.51
United States.....	7,035,228	2,935,204,845	417.21
<b>Total.....</b>	<b>88,502,229</b>	<b>9,943,635,860</b>	<b>112.35</b>



*Deposits in banks of all classes in the United States, 1875 to 1903.*

Year.	Deposits in—					
	National banks (individual deposits).	Savings banks.	State banks.	Loan and trust companies.	Private banks.	Total deposits.
1875.....	\$686,478,630	\$924,037,304	\$165,871,439	\$85,025,371	\$321,100,000	\$2,182,512,744
1876.....	641,432,886	941,350,255	157,928,658	87,817,992	322,100,000	2,150,629,791
1877.....	636,267,529	866,218,306	226,654,538	84,215,849	243,840,000	2,057,196,222
1878.....	621,632,160	879,897,425	142,764,491	73,136,578	183,890,000	1,901,260,654
1879.....	648,934,141	802,490,298	166,958,229	75,873,219	139,920,000	1,834,175,887
1880.....	833,791,034	819,106,973	208,751,611	90,008,008	182,667,235	2,134,234,861
1881.....	1,031,731,043	891,961,142	261,362,303	111,670,329	241,845,554	2,538,570,371
1882.....	1,066,707,249	966,797,081	281,775,496	144,841,596	295,622,160	2,755,743,582
1883.....	1,043,137,763	1,024,856,787	334,995,702	165,378,515	} Not stated.	.....
1884.....	979,020,350	1,073,294,955	325,365,669	188,745,922		.....
1885.....	1,106,376,517	1,095,172,147	344,307,916	188,417,293		.....
1886.....	1,146,246,911	1,141,530,578	342,882,767	214,063,415		.....
1887.....	1,285,076,979	1,235,247,371	447,995,653	240,190,711		.....
1888.....	1,292,342,471	1,364,196,550	410,047,842	257,878,114	96,580,457	3,305,091,171
1889.....	1,442,137,979	1,425,230,349	507,084,481	299,612,899	94,878,842	3,419,343,819
1890.....	1,521,745,665	1,524,844,506	553,054,584	336,456,492	83,183,718	3,757,249,426
1891.....	1,535,058,569	1,623,079,749	556,637,012	355,330,080	99,521,667	4,035,622,914
1892.....	1,753,339,680	1,712,769,026	648,513,809	411,659,996	94,959,727	4,165,065,137
1893.....	1,556,761,230	1,785,150,957	706,865,643	486,244,079	93,091,148	4,619,373,659
1894.....	1,677,801,201	1,747,961,280	658,107,494	471,298,816	68,552,696	4,603,574,605
1895.....	1,736,022,007	1,810,597,023	712,410,423	546,652,657	66,074,549	4,621,243,340
1896.....	1,668,413,508	1,907,156,277	695,659,914	586,468,156	81,824,932	4,887,507,042
1897.....	1,770,480,563	1,939,376,035	723,640,795	566,922,205	59,116,378	4,916,814,233
1898.....	2,023,357,160	2,065,631,298	912,365,406	662,138,397	50,278,243	5,050,697,841
1899.....	2,522,157,509	2,230,366,954	1,164,020,972	835,499,064	62,085,084	5,725,577,345
1900.....	2,458,092,758	2,449,547,885	1,266,735,282	1,028,232,407	64,974,392	6,817,018,891
1901.....	2,941,837,429	2,597,094,580	1,610,602,246	1,271,081,174	96,206,049	7,298,814,381
1902.....	3,098,875,772	2,750,777,290	1,698,185,287	1,525,887,493	118,621,903	8,539,137,332
1903.....	3,200,993,509	2,935,204,845	1,814,570,163	1,589,398,796	131,669,948	9,204,795,790
					133,217,990	9,673,385,303

**WEALTH AND PUBLIC DEBTS.**

[Wall Street Journal.]

A public debt has been considered by many writers as an element of strength to a government, especially if that debt is held by the citizens of the country creating it. It serves to promote patriotism, and to safeguard the government against revolution. But there is undoubtedly a point at which a Government debt, instead of being an element of strength to the country, becomes an element of weakness. That point represents an aggregate of debt which becomes burdensome to the people by being out of proportion to the wealth of the nation and to its reasonable capacity for raising Government revenue.

It becomes therefore of interest to compare the debt of the leading nations with their estimated wealth, and their population and revenue, with the view of ascertaining whether any of them have reached the point of weakness. The following tables show the population, the aggregate of funded and floating indebtedness, the yearly revenue, and the estimated wealth of seven leading countries of the world:

	Population.	Revenue.	Debt.	Wealth.
United States.....	80,372,000	\$694,621,000	\$925,011,637	\$94,300,000,000
United Kingdom.....	41,961,000	737,526,000	3,885,000,000	59,000,000,000
France.....	38,962,000	695,276,000	5,856,706,400	48,000,000,000
Russia.....	141,000,000	1,101,107,000	3,414,000,000	32,000,000,000
Austria-Hungary.....	45,405,000	75,896,000	1,107,464,025	22,000,000,000
Italy.....	32,457,000	375,000,000	2,560,605,000	15,000,000,000
Spain.....	18,618,000	197,077,000	2,061,389,970	12,000,000,000

The statistics of population, debt and revenue as given in the foregoing tables, are taken from the figures published by the Bureau of Statistics at Washington. The statements of wealth are estimates of recent years, but must of course be regarded as merely estimates, for any accurate figures bearing upon that point are practically impossible. It is quite likely that these statements, while in the main fair, really underestimate in some degree the actual wealth of the different countries.

It appears, therefore, that the debt of the United States is less than 1 per cent of its estimated wealth; that of England is about 6½ per cent; that of Russia 10 per cent; that of France 12 per cent; while that of Italy is 17 per cent.

# NATIONAL BANKS FROM 1863 TO 1903.

This table presents a statement of the number of national banks organized in the United States in each year from 1863 to 1903, the number in voluntary liquidation, and their capital, the number of insolvent banks and their capital, the net yearly increase and the net yearly decrease in capital. This table is especially suggestive as illustrating conditions during the period from 1893 to 1897. The number of banks established fell off more than one-half immediately following the year 1893; the number of insolvent banks, which had never been more than 25 in any year prior to 1893, was in that year 65, and the capital involved 10 million dollars; and while in years prior to Democratic control there had been a net increase from 6 millions to 30 millions of dollars per annum, there was during the entire Democratic period a yearly decrease ranging from 5 to 11 million dollars per annum. A study of conditions since the return of Republican control and the protective tariff, and especially those since 1900, is also suggestive and will prove of value in meeting the assertion that prosperity is "fictitious," since the capital of newly organized banks now averages six times as much annually as during the Democratic period. The very large increase in the number organized since 1900 is, of course, due in part to the enactment in 1899 of the law permitting national banks to organize with a capital of \$25,000, and under this law the number of national banks now being organized annually is ten times as great as the annual average during the second administration of President Cleveland, and the total capital about eight.

*National banks organized since the establishment of the national banking system.*

[From the report of the Comptroller of the Currency.]

Year.	Organized.		Closed.				Net yearly increase.		Net yearly decrease.	
			In voluntary liquidation.		Insolvent.					
	No.	Capital.	No.	Capital.	No.	Capital.	No.	Capital.	No.	Capital.
1863.....	134	\$16,378,700	.....	.....	.....	.....	134	\$16,378,700	.....	.....
1864.....	453	79,366,950	3	.....	.....	.....	450	79,366,950	.....	.....
1865.....	1,014	242,542,982	6	\$330,000	1	\$50,000	1,007	242,162,982	.....	.....
1866.....	62	8,515,150	4	650,000	2	500,000	56	7,365,150	.....	.....
1867.....	10	4,260,300	12	2,160,000	6	1,170,000	.....	930,300	8	.....
1868.....	12	1,210,000	18	2,445,500	4	410,000	.....	.....	10	\$1,645,500
1869.....	9	1,500,000	17	3,372,710	1	50,000	.....	.....	9	1,922,710
1870.....	22	2,736,000	14	2,550,000	1	250,000	7	.....	.....	64,000
1871.....	170	19,519,000	11	1,450,000	.....	.....	159	18,069,000	.....	.....
1872.....	175	18,988,000	11	2,180,500	6	1,806,100	158	15,001,400	.....	.....
1873.....	68	7,602,700	21	3,524,700	11	3,825,000	36	253,000	.....	.....
1874.....	71	6,745,500	20	2,795,000	3	250,000	48	3,700,500	.....	.....
1875.....	107	12,104,000	38	3,820,200	5	1,000,000	64	7,283,800	.....	.....
1876.....	36	3,189,800	32	2,565,000	9	965,000	.....	.....	5	340,200
1877.....	29	2,589,000	26	2,539,500	10	3,344,000	.....	.....	7	3,294,500
1878.....	28	2,775,000	41	4,237,500	14	2,612,500	.....	.....	27	4,075,000
1879.....	38	3,595,000	33	3,750,000	8	1,230,000	.....	.....	3	1,385,000
1880.....	57	6,374,170	9	570,000	3	700,000	45	5,104,170	.....	.....
1881.....	86	9,651,050	26	1,920,000	.....	.....	60	7,731,050	.....	.....
1882.....	227	30,038,300	78	16,120,000	3	1,561,300	146	12,357,000	.....	.....
1883.....	262	28,654,350	40	7,736,000	2	250,000	220	20,668,350	.....	.....
1884.....	191	16,042,230	30	3,647,250	11	1,285,000	150	11,109,980	.....	.....
1885.....	145	16,938,000	85	17,856,590	4	600,000	56	.....	.....	1,518,590
1886.....	174	21,358,000	25	1,651,100	8	650,000	141	19,056,900	.....	.....
1887.....	225	30,546,000	25	2,537,450	8	1,550,000	192	26,458,550	.....	.....
1888.....	132	12,053,000	84	4,171,000	8	1,900,000	90	5,982,000	.....	.....
1889.....	211	21,240,000	41	4,316,000	2	250,000	168	16,674,000	.....	.....
1890.....	307	36,250,000	50	5,050,000	9	750,000	248	30,450,000	.....	.....
1891.....	193	20,700,000	41	4,485,000	25	3,622,000	127	12,593,000	.....	.....
1892.....	163	15,285,000	53	6,157,500	17	2,450,000	93	6,677,500	.....	.....
1893.....	119	11,230,000	46	6,035,000	65	10,935,000	8	.....	.....	5,740,000
1894.....	50	5,285,000	79	10,475,000	21	2,770,000	.....	.....	50	7,960,000
1895.....	43	4,890,000	49	6,093,100	36	5,235,020	.....	.....	42	6,438,120
1896.....	28	3,245,000	37	3,745,000	27	3,805,000	.....	.....	36	4,305,000
1897.....	44	4,420,000	70	9,659,000	38	5,851,500	.....	.....	65	11,090,500
1898.....	56	9,665,000	69	12,509,000	7	1,200,000	.....	.....	19	4,044,000
1899.....	78	16,470,000	64	24,335,000	12	850,000	2	.....	.....	8,715,000
1900.....	383	19,960,000	43	12,474,950	6	1,800,000	334	5,685,050	.....	.....
1901.....	394	21,554,500	39	7,415,000	11	1,760,000	344	12,379,500	.....	.....
1902.....	470	31,130,000	71	22,190,000	2	450,000	397	8,490,000	.....	.....
1903.....	553	34,333,500	72	30,720,000	12	3,480,000	469	133,500	.....	.....
Aggregate..	7,029	860,931,182	1,483	260,239,550	418	71,167,4205,409	592,062,332	281	62,538,120	



*Money in circulation in the United States, 1800 to 1904.*  
[From the Statistical Abstract.]

[From the Statistical Abstract.]

This table shows the various kinds of money in circulation in the United States from 1800 to 1904. In the period prior to 1860 the figures are given for decennial years only; from 1860 to 1880 by quinquennial years, and since 1880 are given for each year. It will be noted that the growth in total and per capita was very slow prior to the protective period and that there was a great reduction in total and per capita during the recent low tariff period. Attention is also called to the fact that the total money in circulation has increased about 66 per cent. since the Democratic party insisted in 1896 that only the free and unlimited coinage of silver would give a proper increase in the circulating medium. It will be seen, also, that a large share of the increase in circulation is in gold or in gold certificates which are the equivalent of gold.

Years, ending June 30—	Money in circulation.					Circulation per capita.			
	Gold.	Silver.	Gold certificates.	Silver certificates.	U. S. notes (greenbacks)		National bank notes.	Miscellaneous currency.	Total money in circulation.
800.....	\$16,000,000						\$10,500,000	\$26,500,000	\$5.00
810.....	27,000,000						28,000,000	55,000,000	7.59
820.....	22,300,000						44,800,000	67,100,000	6.94
830.....	26,344,295						61,000,000	87,344,295	6.79
840.....	79,336,916						106,968,572	186,305,488	10.91
850.....	147,395,456						121,366,526	278,761,982	12.02
860.....	228,304,775						207,102,477	435,407,252	13.85
865.....	25,000,000						164,648,393	714,702,995	20.57
870.....	25,000,000						36,602,075	675,212,794	17.50
875.....	25,000,000						38,869,067	754,101,947	17.16
880.....	\$225,695,779	\$68,622,345	\$7,963,900	\$5,789,569	\$378,916,742	\$146,137,860		973,382,228	19.41
881.....	315,312,877	76,181,776	5,759,520	39,110,729	327,895,457	288,648,081		1,114,238,119	21.71
882.....	358,251,325	78,783,769	5,029,020	54,506,090	328,126,924	349,746,293		1,174,290,419	22.37
883.....	344,653,495	82,125,749	59,807,370	72,630,686	325,255,427	352,464,788		1,230,305,696	22.91
884.....	340,624,203	86,351,008	71,146,640	96,437,011	323,242,177	347,856,219		1,243,925,969	22.65
885.....	341,668,411	82,789,890	126,729,737	101,530,946	331,218,637	330,589,893		1,292,568,615	23.02
886.....	358,219,575	98,842,613	76,044,375	88,116,225	323,812,699	307,655,038		1,252,700,525	21.82
887.....	376,540,851	104,132,586	91,225,437	142,118,017	326,667,219	276,855,203		1,317,539,143	22.45
888.....	391,114,033	105,889,710	121,094,650	200,759,657	308,000,040	245,312,780		1,372,170,870	22.88
889.....	376,481,568	105,934,463	117,130,229	257,155,565	316,439,191	207,220,633		1,330,361,649	22.52
890.....	374,258,923	110,311,336	130,830,859	297,556,238	334,688,937	181,604,937		1,429,251,270	22.82
891.....	407,319,163	117,045,399	120,063,069	307,253,966	343,207,360	162,221,046		1,497,440,707	23.42
892.....	408,568,824	120,111,166	141,093,619	326,693,465	309,559,904	167,221,517		1,601,347,187	24.56
893.....	408,535,663	122,399,539	92,642,189	326,823,848	319,059,426	174,669,966		1,596,701,245	24.03
894.....	495,976,730	111,075,619	66,339,849	326,990,736	266,589,602	200,219,743		1,660,808,708	24.52
895.....	479,637,961	112,326,057	48,381,309	319,632,941	263,648,985	206,953,051		1,601,968,473	23.20
896.....	454,905,064	112,321,355	42,198,119	330,657,191	224,249,868	215,168,122		1,506,434,966	21.41
897.....	517,589,688	111,556,690	37,285,339	357,849,312	245,954,622	225,544,351		1,640,209,519	22.87
898.....	657,950,463	122,539,886	35,811,589	390,126,510	284,569,022	222,990,988		1,837,859,895	25.15
899.....	679,738,050	130,547,250	32,655,919	402,136,617	308,351,842	237,805,439		1,904,071,881	25.58
900.....	610,806,472	142,050,334	200,733,019	408,465,574	313,971,545	300,115,112		2,055,150,998	26.94
901.....	629,790,765	146,156,537	247,036,359	429,643,556	330,045,406	345,110,801		2,175,307,962	27.96
902.....	632,394,289	154,468,577	306,399,009	446,557,662	334,291,722	345,476,516		2,249,390,551	28.43
903.....	617,260,739	165,117,934	377,258,559	454,733,013	334,248,567	399,996,709		2,367,692,169	29.42



*Clearing-house returns of the United States, showing depression in low-tariff and Democratic years.*

[From the Statistical Abstract of the United States.]

Year.	New York clearing house.	Clearing houses of the United States.
1880	\$37,182,128,621	(*)
1881	48,565,818,212	(*)
1882	46,552,846,161	(*)
1883	40,293,165,258	(*)
1884	34,092,037,338	(*)
1885	25,250,791,440	(*)
1886	33,374,682,216	\$48,211,643,771
1887	34,872,848,786	52,126,704,488
1888	30,863,686,609	48,750,886,813
1889	34,796,465,529	53,501,411,510
1890	37,660,686,572	58,845,279,505
1891	34,053,698,770	57,298,737,938
1892	36,279,905,236	60,883,572,438
1893†	34,421,380,870	58,880,682,455
1894†	24,230,145,368	45,028,496,746
1895†	28,264,379,126	50,975,155,046
1896†	29,350,894,884	51,935,651,733
1897	31,337,760,948	54,179,545,030
1898	39,853,413,948	65,924,820,769
1899	57,368,230,771	88,828,672,533
1900	51,964,588,564	84,582,450,081
1901	77,020,672,494	114,819,792,086
1902	74,753,189,436	115,892,198,634
1903	70,833,655,940	114,068,837,569

\*No data.

†Democratic and low tariff years.

*Number and mileage of railroads placed under receiverships and sold under foreclosure during the calendar years 1876 to 1903.*

[From the Railway Age, Chicago.]

Years.	Placed under receiverships.			Sold under foreclosure.		
	Number of roads.	Miles.	Stocks and bonds.	Number of roads.	Miles.	Stocks and bonds.
1876	42	6,662	\$467,000,000	30	3,840	\$217,848,000
1877	38	3,637	220,294,000	54	3,875	198,984,000
1878	27	2,320	92,385,000	48	3,906	311,631,000
1879	12	1,102	39,367,000	65	4,909	243,288,000
1880	13	885	140,265,000	31	3,775	263,882,000
1881	5	110	3,742,000	29	2,617	137,923,000
1882	12	912	39,074,000	16	867	65,426,000
1883	11	1,990	108,470,000	18	1,354	47,100,000
1884	37	11,038	714,755,000	15	710	23,504,000
1885	44	8,386	385,460,000	22	3,156	278,394,000
1886	13	1,799	70,346,000	45	7,687	374,109,000
1887	9	1,046	90,318,000	31	5,478	328,181,000
1888	22	3,270	186,814,000	19	1,596	64,555,000
1889	22	3,803	99,664,000	25	2,930	137,815,000
1890	26	2,963	105,007,000	29	3,825	182,495,000
1891	26	2,159	84,479,000	21	3,223	169,069,000
1892	36	10,508	357,692,000	28	1,922	95,898,000
1893	74	29,340	1,781,046,000	25	1,613	79,924,000
1894	38	7,025	395,791,000	42	5,643	318,999,000
1895	31	4,089	369,075,000	52	12,831	761,791,000
1896	34	5,441	275,597,000	58	13,730	1,150,377,000
1897	18	1,537	92,909,000	42	6,675	517,680,000
1898	18	2,069	138,701,000	47	6,054	252,910,000
1899	10	1,019	52,285,000	32	4,294	267,534,000
1900	16	1,165	78,234,000	24	3,477	190,374,000
1901	4	73	1,627,000	18	1,139	85,808,000
1902	5	278	5,835,000	18	693	39,885,000
1903	9	229	18,823,000	13	555	15,885,000
Total.....	652	114,855	6,415,055,000	897	112,374	6,821,269,000

**Our country is growing better, not worse.—Hon. C. W. Fairbanks, at Baldwin, Kas., June 7, 1901.**

**In the ballot-box our liberties are compounded. See to it that it gives true expression to the public will. Preserve it from pollution; protect and defend it as you would the Ark of the Covenant, for it has been purchased by the priceless blood of countless heroes upon the battlefields of the Republic.—Hon. C. W. Fairbanks, at Baldwin, Kas., June 7, 1901.**

**Bank Deposits in Each State in 1892 and 1903.**

The following table shows the total bank deposits in each State in 1892, the last year of President Harrison, 1896, the last year of Cleveland, and 1903 under President Roosevelt:

*Deposits in banks of all kinds in the United States, 1892, 1896, and 1903.*

[From Official Reports of the Comptroller of the Currency.]

States.	1892.	1896.	1903.
Maine.....	\$ 65,850,798	\$ 75,804,424	\$ 112,447,981
New Hampshire.....	80,435,557	71,921,727	78,453,488
Vermont.....	33,748,904	40,572,077	56,386,990
Massachusetts.....	616,598,531	705,759,418	938,627,298
Rhode Island.....	99,066,388	110,535,846	155,644,733
Connecticut.....	165,415,581	188,712,003	264,131,827
New York.....	1,417,556,006	1,604,236,105	2,861,024,291
New Jersey.....	98,891,294	115,583,033	254,960,170
Pennsylvania.....	423,548,016	459,041,848	1,011,947,132
Delaware.....	10,121,401	7,019,958	19,592,430
Maryland.....	83,219,217	87,354,355	144,703,712
District of Columbia.....	15,670,372	18,677,413	37,916,326
Virginia.....	29,693,509	28,243,822	59,993,002
West Virginia.....	11,037,899	17,745,571	50,387,589
North Carolina.....	8,461,372	9,722,451	28,224,670
South Carolina.....	9,849,188	9,890,679	16,584,452
Georgia.....	15,363,576	10,952,349	43,053,919
Florida.....	5,740,494	5,531,365	16,535,101
Alabama.....	7,661,424	6,856,065	19,963,480
Mississippi.....	7,093,530	8,908,660	29,174,325
Louisiana.....	26,308,565	25,306,751	63,450,271
Texas.....	34,120,225	31,747,215	80,389,641
Arkansas.....	4,563,594	3,555,383	14,458,572
Kentucky.....	49,603,578	41,502,038	68,501,184
Tennessee.....	24,543,584	21,722,670	62,183,036
Ohio.....	175,952,224	174,954,981	448,120,819
Indiana.....	54,206,771	52,386,403	141,601,752
Illinois.....	226,801,889	213,798,711	522,889,978
Michigan.....	107,704,951	103,670,827	218,432,300
Wisconsin.....	79,738,823	68,863,503	156,140,971
Minnesota.....	76,795,498	68,494,642	135,564,105
Iowa.....	85,460,606	78,439,707	211,033,378
Missouri.....	117,478,165	117,150,075	298,747,005
North Dakota.....	8,278,548	7,032,369	22,147,222
South Dakota.....	7,551,266	7,216,612	27,801,725
Nebraska.....	43,770,311	30,865,894	80,565,404
Kansas.....	38,514,219	30,529,487	84,055,110
Montana.....	16,515,264	16,800,929	32,023,515
Wyoming.....	3,167,147	2,650,866	7,821,629
Colorado.....	33,827,434	29,966,835	69,739,278
New Mexico.....	3,104,956	2,311,296	7,249,032
Oklahoma.....	723,968	755,519	18,677,080
Indian Territory.....	309,119	704,202	8,433,629
Washington.....	17,807,584	9,228,848	53,242,953
Oregon.....	12,647,373	9,262,021	26,039,463
California.....	198,024,954	202,874,270	406,532,343
Idaho.....	2,006,760	1,969,292	7,849,030
Utah.....	9,213,285	6,366,103	33,526,202
Nevada.....	412,320	579,731	4,107,492
Arizona.....	758,212	1,548,074	8,458,306
Alaska.....			893,913
Total.....	\$240,870,488	\$231,828,339	\$540,649,702

Aggregate, United States only, \$9,530,429,252.

Annual increase in individual deposits, 1892-1896, \$ 70,000,000.

Annual increase in individual deposits, 1896-1903, \$657,000,000.

**Commercial Failures, 1880 to 1903.**

The table which follows shows the number of failures, the number of business concerns, the percentage of failures, the total liabilities of failing firms, and average liabilities, in each year from 1880 to 1903, as shown by Dun's Review, a reliable and nonpartisan publication. The table needs no discussion, though attention is called to the fact that in no year since 1897 has the number of failures or the amount of liabilities been as great as the lowest record of the four years' period under President Cleveland and low tariff, threatened or actual. The annual average of the liabilities of failing firms during the four years 1893, 1894, 1895, and 1896 was 230 million dollars, and during the four years ending with 1903 was 131 million dollars, in spite of the fact that population at the end of the second period was 80 millions, against 70 millions at the close of the first period. Thus while population increased 14 per cent, the liabilities of failing firms decreased 40 per cent.

*Commercial failures and average of liabilities, 1880 to 1903.*

[From Dun's Review, New York.]

Calendar year.	Total for the year.				
	Number of failures.	Number of business concerns.	Per ct. of failures.	Amount of liabilities.	Average liabilities.
1880.....	4,735	746,823	0.63	\$65,752,000	\$13,886
1881.....	5,582	781,689	.71	81,155,932	14,530
1882.....	6,738	822,256	.82	101,547,564	15,070
1883.....	9,184	863,993	1.06	172,874,172	18,823
1884.....	10,968	904,759	1.21	226,343,427	20,632
1885.....	10,637	919,990	1.16	124,220,321	11,678
1886.....	9,834	969,841	1.01	114,644,119	11,651
1887.....	9,634	994,281	.90	167,560,944	17,392
1888.....	10,676	1,046,662	1.02	123,829,973	11,595
1889.....	10,882	1,051,140	1.04	148,784,337	13,672
1890.....	10,907	1,110,590	.98	189,856,964	17,406
1891.....	12,273	1,142,951	1.07	189,868,638	15,471
1892.....	10,344	1,172,705	.88	114,044,167	11,025
1893*.....	15,242	1,193,113	1.25	346,779,889	22,751
1894*.....	13,885	1,114,174	1.25	172,992,856	12,458
1895*.....	13,197	1,209,282	1.09	173,196,060	13,124
1896*.....	15,088	1,151,579	1.31	226,096,834	14,992
1897.....	13,351	1,058,521	1.26	154,332,071	11,559
1898.....	12,186	1,105,830	1.10	130,662,899	10,722
1899.....	9,337	1,147,595	.81	90,879,889	9,733
1900.....	10,774	1,174,300	.92	138,495,673	12,854
1901.....	11,002	1,219,242	.90	113,092,376	10,279
1902.....	11,615	1,253,172	.93	117,476,769	10,114
1903.....	12,069	1,281,481	1.12	155,444,185	12,879

\*Democratic and low-tariff period.

**Value of the Principal Farm Crops of the United States in 1899 and 1903 Compared with 1895—Farm Value of Ten Principal Crops Increased More Than \$1,000,000,000 since 1895.**

This table shows the value of the principal farm crops of the United States in 1895, 1899, and 1903, and illustrates forcibly the importance of protection to the farmer. The values of ten principal crops are stated. It will be seen that in every case there has been a large increase and in some cases the value has practically doubled, while the total value of the ten articles named is 62 per cent. greater in 1903 than in 1895. Here is a gain of over one billion dollars (\$1,215,596,963) in the value of these ten articles of farm production for the single year 1903 compared with 1895.

The figures are from the Department of Agriculture, except those of flax, for each year, and those of cotton for the year 1903.

Crop.	1895.		1899.		1903.	
	Total value.	Value per unit.	Total value.	Value per unit.	Total value.	Value per unit.
Corn.....	\$544,985,534	\$0.253	\$629,210,110	\$0.303	\$952,868,801	\$0.425
Wheat.....	237,938,998	.509	319,545,259	.584	443,024,826	.695
Oats.....	163,655,068	.199	198,167,975	.249	267,661,665	.341
Rye.....	11,964,826	.440	12,214,118	.510	15,993,871	.545
Barley.....	29,312,413	.337	29,594,254	.403	60,166,313	.456
Potatoes...	78,984,901	.266	89,328,832	.390	151,638,094	.614
Cotton.....	260,338,096	.076	332,000,000	.070	460,000,000	.....
Hay.....	393,185,615	.835	411,926,187	.727	556,376,880	.908
Tobacco...	35,574,220	.069	45,000,000	.090	55,514,627	.068
Flax.....	12,000,000	.750	24,000,000	.125	*22,291,557	.817
.....	1,767,939,671	.....	2,090,986,735	.....	2,985,536,634	.....

\*Estimate of Department of Agriculture.

To appreciate what this means to each individual stock owner note the change in the average price per head of each class of animals:

	Jan. 1, 1897.	Jan. 1, 1904.
Horses.....	\$31.50	\$67.93
Mules.....	41.66	78.88
Cows.....	23.16	29.21
Cattle.....	16.65	16.32
Sheep.....	1.82	2.59
Hogs.....	4.10	6.15



**Expenditures of the United States Compared with Those of Other  
Leading Nations—Our Per Capita Much Below That of  
Principal Countries of the World.**

The expenditures of the United States Government are much less in proportion to population than those of many other of the leading nations of the world. This fact is shown by a statement published by the Department of Commerce and Labor, through its Bureau of Statistics, showing the population, revenues, expenditures, and indebtedness of the principal countries of the world. It shows that while the expenditure of the United States, with 80 millions of people, is 640 million dollars, that of the United Kingdom, with 42 millions of people, is 898 million dollars; that of France, with 39 million people, is 695 million dollars; that of Germany, with 58 million people, 553 million dollars; while in practically every country aside from China and India, with their enormous population, the per capita of government expenditures is greater than in the United States. Even in the case of Russia, with its population of 141 million, the per capita of government expenditure is about the same as that of the United States.

While it is true that a larger proportion of public expenditures is borne by State and local governments in the United States than in many of the more centralized governments of Europe, these figures of the relative national expenditures of the various governments are at least interesting at the present time.

The table puts the population of the United States at 80,372,000, the Government expenditure in 1903 at \$640,323,000, and the per capita expenditure \$7.97. The per capita government expenditure of Canada is given at \$9.30; the German Empire, \$9.45; Italy, \$10.97; Austria-Hungary, \$14.27; Belgium, \$17.40; France, \$17.84; the United Kingdom, \$21.39, and Australia, \$37.69. Russia's annual expenditure is put, for the latest available year, at \$1,116,095,000, as against \$644,883,000 in the United States; but the fact that Russia's population is given at 141 million brings the per capita expenditure to about the figure shown by the United States.

The table in question also shows in the case of each country the excess of revenue or expenditure in the latest available year, and in this particular the United States also presents a satisfactory showing, the excess of revenues over expenditures being greater than that of any other country, while in many countries the expenditures exceed the revenues. For the latest available year the United States shows an excess of revenues over expenditures amounting to 50 million dollars, while France shows an excess of revenues amounting to only \$26,000; Germany, an excess of expenditures over revenues amounting to 57 million dollars, and the United Kingdom an excess of expenditures over revenues amounting to 160 million dollars.

The table which follows shows the population, expenditure, and per capita expenditure in the more important countries of the world in the latest available year. Most of the statements are for 1902, that of the United States for 1903.

Countries.	Population.	Expenditure.	Per capita expenditure
New Zealand.....	788,000	\$30,441,000	\$38.38
Australian Commonwealth.....	3,772,000	142,148,000	37.69
United Kingdom.....	41,961,000	897,790,000	21.39
France.....	38,962,000	695,250,000	17.84
Belgium.....	6,694,000	116,500,000	17.40
Paraguay.....	636,000	11,007,000	17.30
Austria-Hungary.....	45,405,000	647,969,000	14.27
Argentina.....	4,794,000	60,757,000	12.68
Cuba.....	1,573,000	19,515,000	12.40
Netherlands.....	5,347,000	61,468,000	11.49
Portugal.....	5,429,000	62,170,000	11.45
Spain.....	18,618,000	187,846,000	10.09
Sweden.....	5,199,000	49,593,000	9.54
German Empire.....	58,594,000	553,222,000	9.45
Canada.....	5,457,000	50,759,000	9.30
United States.....	80,372,000	640,323,000	7.97

Every man who has made wealth or used it in developing great legitimate business enterprises has been of benefit and not harm to the country at large.—President Roosevelt at Spokane, Wash., May 26, 1903.

# COMPARISON OF FINANCIAL, COMMERCIAL AND INDUSTRIAL CONDITIONS IN THE UNITED STATES IN 1892 1896, 1900 AND 1903.

This table is intended to show the contrast in conditions in the United States under Republican and Democratic administrations. The indebtedness, interest charge, money in circulation, bank deposits, commerce, agriculture and the value of its products, manufacturing, railway operations, and other measures of business and commercial activity and prosperity are shown for the years 1892, 1896, 1900, and 1903. The year 1892 was the last under President Harrison, 1896 the last under President Cleveland; and while the McKinley-Roosevelt term has been continuous and one of continuous prosperity, conditions in the year 1900, the last full year of President McKinley's life, are shown, since the comparison of conditions in 1903 with those in 1900 shows that prosperity and activity have continued under President Roosevelt and that the assertions that business has not prospered under the present administration are not true. No detailed explanation or comment upon the table is necessary. It speaks for itself and is in itself evidence of Republican prosperity and Democratic adversity.

The figures of the table are in all cases official and in most instances are those of fiscal years.

*Financial, commercial, and industrial conditions in the United States, 1892, 1896, 1900, and 1903.*

ITEMS.	1892.	1896.	1900.	1903,
Population.....	65,191,000	70,365,000	76,303,000	80,487,000
Interest-bearing debt .....	\$585,029,330	847,363,890	1,023,478,860	914,541,410
Annual interest charge.....	\$22,893,883	34,387,266	33,545,130	25,541,573
Annual interest per cap. Cts	35	49	44	32
Receipts from customs.....	\$177,452,964	152,158,617	233,164,871	284,479,582
Treasury receipts, net ordinary .....	\$354,937,784	326,976,200	567,240,852	560,896,674
Gov't expenditures, (j).....	\$321,645,214	316,794,417	447,553,458	477,542,658
Gold in treasury.....	\$114,612,892	102,494,781	222,844,953	254,162,230
Gold and gold certificates in circulation.....	\$549,662,443	497,103,183	811,539,491	994,519,298
Money in circulation.....	\$1,601,347,187	1,506,434,966	2,055,150,998	2,367,692,169
Money in circulat'n, per cap.	\$24.56	21.41	26.94	h 30.38
Bank clearings, New York.....	\$36,279,905,236	29,350,894,884	51,964,588,564	70,833,655,940
Bank clear'gs, total, U. S. ...	\$60,883,572,438	51,935,651,733	84,582,450,081	114,068,837,569
Loans and discounts, nat'l banks.....	\$2,127,757,191	91,71,642,012	2,623,512,201	3,415,045,751
Savings bank deposit'rs. No.	4,781,605	5,065,494	6,107,083	7,305,228
Savings bank deposits.....	\$1,712,769,026	1,907,156,277	2,449,547,885	2,935,204,845
Bank deposits, total.....	\$4,619,373,659	4,916,814,233	7,298,814,381	9,673,385,303
Industrial life insurance in force.....	\$583,527,016	888,266,586	1,468,986,366	a1,806,890,864
Total life insurance in force.	\$4,897,731,359	5,943,067,492	8,562,138,746	10,508,478,776
Imports .....	\$827,402,462	779,724,674	849,941,184	1,025,719,237
Imports, per capita.....	\$12.44	10.66	10.88	12.54
Exports.....	\$1,030,278,148	882,606,938	1,394,483,082	1,420,141,679
Exports, per capita.....	\$15.53	12.11	17.96	17.64
Excess of exports over imports.....	\$202,875,686	102,882,264	544,541,898	394,422,442
Imports of mfr's materials..	\$278,319,966	281,302,206	379,926,075	480,828,386
Exports of manufactures...	\$159,510,937	228,571,178	433,851,756	407,526,159
Share mfr's form of ex-ports.....	15.61	26.48	31.65	29.28
Exports of ag'l products.....	\$798,328,232	569,879,297	835,858,123	873,322,882
Exports of provisions.....	\$140,362,159	131,503,590	184,453,055	179,839,714
Exports to Asia and Oceania.	\$35,163,117	42,827,258	108,305,152	b106,771,591
Exports to Porto Rico.....	\$2,856,003	2,102,094	4,260,890	11,976,134
Exports to Hawaii.....	\$3,781,628	3,985,707	13,077,506	10,787,666
Exports to Phillipine Isles..	\$60,914	162,446	2,635,624	4,028,677
Animals on farms, total value.....	\$2,461,755,698	1,727,926,084	2,228,123,134	3,102,515,540
Horses.....	\$1,007,593,636	500,140,186	603,969,442	1,030,705,959
Cattle .....	\$922,127,287	872,883,961	1,204,298,366	1,340,766,816
Mules.....	\$174,882,070	103,204,457	111,717,092	197,753,327
Swine.....	\$241,031,415	186,529,745	185,472,321	364,973,688
Sheep.....	\$116,121,290	65,107,135	122,665,913	168,315,750
Sheep, total in U. S. No.	44,938,365	38,298,783	41,883,065	63,964,876
av. value per head.....	\$2.60	1.70	2.93	2.63
Farm products, value.....	\$1,826,989,201	1,432,396,852	1,861,466,582	2,456,381,183
Corn.....	\$642,146,630	491,006,967	751,220,034	952,868,801
Wheat .....	\$322,111,881	310,602,539	323,515,177	443,024,826
Oats.....	\$209,253,611	132,485,033	208,669,233	267,661,665
Hay.....	\$490,427,798	388,145,614	445,528,870	556,376,880
Potatoes.....	\$103,567,520	72,182,350	90,811,167	151,638,094



*Financial, commercial, and industrial conditions in the United States, 1892, 1896, 1900, and 1903—Continued.*

ITEMS.	1892.	1896.	1900.	1903.
Wool production.....lbs	294,000,000	272,474,000	288,636,000	287,450,000
Wool value.....	\$79,075,777	32,529,536	45,670,053	58,775,373
Cotton production, value.....	\$313,000,000	269,116,000	357,000,000	453,948,000
Beet-sugar production.....Tons	12,000	40,000	82,000	247,000
Mineral production, value.....	\$648,675,081	622,533,016	1,063,620,548	a 1,260,649,265
Coal production.....Tons	160,115,242	171,416,393	240,780,238	a 269,361,050
Furnaces in blast.....No.	253	159	232	a 320
Pig-iron production.....Tons	9,157,000	8,623,129	13,789,242	18,099,252
Steel rails mfg.....Tons	1,298,936	1,300,325	2,271,108	2,941,421
Steel manufactured.....Tons	4,927,581	5,281,689	10,188,329	a 14,947,250
Exports of iron and steel.....	\$28,800,930	41,160,877	121,913,548	96,642,467
Tin plates manufactured..lbs.	42,119,192	359,209,798	677,969,600	a 819,840,000
Tin plates imported.....lbs.	422,176,202	385,138,983	147,963,804	109,913,293
Pig tin imported.....Pounds	43,908,652	49,952,957	70,158,915	88,018,036
Domestic cotton used in mfg				
.....Bales	2,856,000	2,505,000	3,644,000	3,924,000
Silk imported for mfg.....lbs.	8,642,828	9,084,920	13,043,714	15,270,600
Hides and skins import.....	\$26,850,218	30,520,177	57,935,698	58,031,613
Rubber imported for mfg..lbs.	39,976,205	36,774,460	49,377,138	55,010,571
P. O. Dept. receipts of.....	\$70,930,476	82,499,208	102,354,579	134,224,443
Telegraph messages sent..No.	71,722,589	72,221,896	79,696,227	91,391,443
Telephone subscribers.....No.	216,017	281,695	632,946	d 1,277,983
Patents issued.....No.	23,559	23,273	26,499	31,699
Failures.....No.	10,344	15,088	10,774	12,069
Failures, liabilities.....	\$114,044,167	226,096,834	138,495,673	155,444,185
Original homestead entries				
.....Acres	e 6,808,791	4,830,915	8,478,409	11,193,120
Railways built.....Miles	4,441	1,704	3,516	a 4,364
Railways, net earnings.....	\$352,817,405	332,766,979	483,247,526	a 560,026,277
Railways, dividends paid.....	\$93,862,412	81,528,154	140,343,653	a 178,173,752
Railways, employees.....No.	821,415	f 785,034	1,017,653	a 1,189,315
Railways, wages paid.....	\$440,318,900	f 445,508,261	577,264,841	676,028,592
Railways, freight carried.Tons	730,645,011	773,868,716	1,071,431,919	a 1,192,136,510
Railways, passengers carried				
.....No.	575,769,678	535,120,756	584,695,935	a 655,130,236
Railways, fr'g't rec'ts ton per				
mile.....Cents	94	82	75	76
Railways sold under foreclos-				
ure.....Miles	1,922	13,730	3,477	555
Freight passing Sault Ste.				
Marie canals.....Tons	10,647,203	17,249,418	22,315,834	27,736,444
PRICES (ANNUAL AVERAGE). j				
Wheat, in New York..per bush	.540	.340	.453	.572
Corn, in New York....per bush	.363	.233	.273	.411
Oats, in New York....per bush	4.34	3.79	3.84	4.33
Flour, patent.....Barrel	5.15	3.35	5.08	6.05
Hogs, in Chicago.....100 lbs	7.87	4.94	7.52	9.59
Bacon.....100 lbs	4.50	4.27	5.39	5.06
Steers, in Chicago.....100 lbs	7.62	6.98	8.04	7.84
Beef, fresh native, sides.100 lbs	.043	.045	.053	.046
Sugar, granulated.....Pound	.143	.123	.082	.056
Coffee, Rio No. 7.....Pound	.301	.258	.297	.229
Tea, Formosa, fine.....Pound	2.50	2.25	2.00	2.00
Men's shoes, rici kid.....Pair	1.037	.993	.937	.925
Men's shoes, brogan.....Pair	.065	.052	.052	
Calico, "Coheco".....Yard				.050
Serge suitings.....Yard	.91	.614	.810	.755
Alpaca dress goods.....Yard	.072	.064	.071	.069
Wool, Ohio XX.....Pound	.611	.394	.659	.654
Coal, anthracite.....Ton	3.94	3.55	3.91	4.82
Coal, bituminous, at mine.Ton	.90	.90	1.20	2.39
Petroleum, refined.....Gallon	.07	.104	.118	.136
Pig. iron, foundry No. 1....Ton	15.74	12.95	19.98	19.91
Wire nails.....100 lbs	2.1	2.92	2.63	2.07
Cut nails.....100 lbs	1.7	2.71	2.25	2.19
Tin plates.....100 lbs	5.1	3.43	4.67	g 3.94
Steel rails.....Ton	30.0	28.00	32.28	28.00
Steel billets.....Ton	23.1	18.83	25.06	27.91
Rope, manila.....Pound		.066	.132	.114

a 1902.

b Including Hawaii.

c Includes corn, wheat, oats, barley, rye, buckwheat, potatoes, and hay.

d Includes statistics of American Telephone and Telegraph Company and operating companies associated with it.

e 1893

f 1895.

g 1892 figures are for imported tin; those of subsequent years of domestic manufacture.

h December 1.

i Except cotton.

j Prices of farm products are those of Chicago markets; iron and steel, those of Pittsburgh; general merchandise, in most cases, those of New York, and in all cases are wholesale rates.

**Our workshops never were so busy, our trade at home was never so large, and our foreign trade exceeds that of any like period in all our history.—President McKinley at Chicago, Oct. 10, 1899.**



## Do Trusts Control Prices?

Much has been said about the advance in prices, coupled with the assertion that the advances in cost of living is due to trust control and that the increase in prices has been more rapid than the advance in wages. This general question of wages, and the relation of wages to prices is discussed in the chapter on Labor, to which attention is especially called, but in addition to the facts there presented some statements with reference to the advance and more recent decline in prices is worthy of special attention. That statement, from official and recent reports of the Bureau of Labor, completely disproves the charge, and shows clearly the falsity of the Democratic assertion that cost of living has advanced more rapidly than wages.

Another extremely important fact is the marked decline in prices in many articles during the present year, among these articles being many controlled by trusts and great industrial corporations, which are constantly charged by the Democracy with advancing prices and with ability to control the same. A table compiled from reports of the Bureau of Statistics shows the prices of principal articles of food and manufactures, in March, 1904, compared with March, 1903:

Articles.	March, 1903.	March, 1904.
<b>Prices of imported articles.</b>		
Coffee, Rio, No. 7.....Pound..	Dollars. 0.05½	Dollars. 0.06½
Rubber.....do....	.84	1.12
Japan tea (choice).....do....	.26	.28
Manila hemp.....do....	.09	.09½
Sisal.....do....	.08½	.07½
Jute.....do....	.04½	.04½
Sugar, raw.....do....	.0362½	.036
Silk, raw.....do....	4.45	3.80
Tin, pig.....do....	.30½	.289½
<b>Prices of articles of domestic production.</b>		
<b>Pig iron:</b>		
Bessemer.....ton..	23.10	14.35
Southern.....do....	21.00	9.75
Iron bars.....pound..	.02	.01½
Steel bars.....do....	.016	.014½
Steel billets.....ton..	32.50	23.00
Steel rails.....do....	28.00	28.00
<b>Petroleum:</b>		
Crude.....barrel..	1.50	1.71
Refined.....gallon..	.10½	.113½
Sugar, refined.....pound..	.0462½	.045
Copper.....do....	.15	.1287½
Lead.....do....	.0467½	.0462½
Zinc.....do....	.057	.0512½
Tin plate.....box..	4.00	3.65
Lard.....pound..	.105	.0725
Oleostearine.....do....	.10	.07
Tallow.....do....	.05¾	.04¾
Pork, mess.....barrel..	19.00	15.50
Beef, family.....do....	15.00	12.50
Native steers.....pound..	.055	.057½
Texas steers.....do....	.043	.050
Cows.....do....	.050	.046
Hides.....do....	.12½	.11¾
Wool, Ohio XX.....do....	.31	.33
Wheat, No. 2.....bushels	.81¾	1.07½
Corn, No. 2.....do....	.57½	.58¾
Oats, No. 2.....do....	.43½	.48½
Cotton.....pound..	.09¾	.14¾

Of the 40 articles named in this table, practically all of those in which advances occurred are the natural products of the farm—wheat, corn, oats, and wool—in which the advances cannot be ascribed to the trusts; while practically all of the articles manufactured by trusts or great corporations, such as iron and steel, sugar, copper, tin-plate, show a marked reduction in March, 1904, as compared with March, 1903. If the assertion that trusts are able to control prices were true, how is it that practically all of the trust-made articles in the United States have declined in price during the last year and that, too, during the very time when prices of farm products and prices of many of the articles imported for use in manufacturing were advancing?

Attention is especially called to the fact that the single article of trust production in which an advance is shown is petroleum

both crude and refined, an article upon which no tariff duty is collected, and in which therefore the assertion that trusts advance and maintain high prices by reason of the tariff is not justified. In practically all of the articles in this table which are subject to duty, whether trust-made or otherwise, the prices in March, 1904, are less than those of the corresponding date of 1903, while the single trust-made article upon the free list is the one in which an advance in price has been made

### Does the Tariff Control Prices?

Upon this subject of relative advance in price of articles on the free list and those upon which a tariff is collected, a table is also presented which includes eleven articles on the free list and twenty-one articles on the dutiable list. This table was presented in the House of Representatives by Representative E. J. Hill, of Connecticut. Every article named in this table was included in the list of "articles controlled by trusts" published in the Democratic Campaign Text-Book of 1902, page 369. Of the 11 articles on the free list every one shows a marked advance in price since 1896, the average advance on all being 53.54 per cent. Of the 21 items on the dutiable list, 12 show an advance in price, comparing 1904 with 1896; three show no change, and six show a reduction. The average advance on the dutiable list is 8.6 per cent, as against 53.54 per cent on the free list.

Statement in Congressional Record, February 18, 1904, by Hon. E. J. Hill, of Connecticut, showing the relative advance in prices of free and dutiable articles, respectively (denominated by the Democratic Campaign Book as "Controlled by Trusts"), 1896 to 1904:

#### Items on free list.

	July, 1896.	July, 1901.	July, 1902.	July, 1903.	Janu- ary, 1904.
Anthracite stove coal (f. o. b. New York).....per ton..	\$3.881	\$4.236	.....	\$4.80	\$4.75
Anthracite broken coal (f. o. b. New York).....per ton..	3.228	3.509	.....	4.55	5.00
Copper,lake, ingot (New York).....per pound..	.115	.17	\$0.1225	.1425	.125
Flax, Kentucky.....do.....	.08	.10	.095	.....	.....
Jute, spt.....do.....	.035	.035	.0325	.045	.045
Petroleum,crude (at well)per barrel..	1.0825	1.1337	1.22	1.50	1.85
Petroleum, refined.....per gallon..	.069	.069	.074	.14	.15
Petroleum, refined (150 per cent test for exprt).....per gallon..	.1087	.1075	.11	.1005	.1405
Rubber, isand.....per pound..	.84	.86	.77	.87	.94
Sisal, spot.....do.....	.0362	.0562	.095	.0762	.075
Sisal, indertwne.....do.....	.0675	.0975	.1425	.145	.145

#### Items on dutiable list.

	July, 1896.	July, 1901.	July, 1902.	July, 1903.	Janu- ary, 1904.	Duty.
Alcohol (4 per cent) ....per gal..	\$2.31	\$2.43	\$2.51	\$2.48	\$2.40	\$2.25 per gal.
Brick.....per thousand..	5.25	5.75	6.25	5.25	.....	25 p. c.
Bread, Boston crackers.....per lb..	.065	.08	.....	.08	.07	20 p. c.
Cotton flannels.....per yard..	.065	.0625	.....	.08	.....	50 p. c. and up.
Cement, Rosendale.....per bbl..	.85	1.00	.95	.90	.95	8c. per lb.
Fish, camed salmon.....per doz..	1.65	1.70	1.65	1.65	1.65	30 p. c.
Gingham.....per yard..	.0425	.0475	.....	.08	.08	45 p. c.
Glassware, pitchers.....per doz..	1.25	1.30	.....	.....	.....	40 p. c.
Wire nails.....per keg..	3.15	2.40	2.10	2.05	2.00	½c. per lb.
Cut nails.....do.....	2.90	2.10	2.05	2.20	1.95	6-10c per lb.
Fresh bee sides.....per lb..	.075	.09	.....	1.25	.125	2c. per lb.
Salt beef.....per bbl..	16.00	21.50	22.50	11.50	11.00	5c. per lb.
Salt pork.....do.....	8.25	16.75	19.75	17.75	13.50	25 p. c.
Hams, smoked.....do.....	.10	.115	.125	.1375	.12	5c. per lb.
Pig iron, foundry, Philadelphia.....per ton..	12.75	15.87	22.75	18.50	15.00	\$4 per ton.
Rice.....per lb..	.0525	.0537	.0575	.55	.04	2c. per lb.
Sugar, centrifugal.....do.....	.035	.0425	.0337	.0356	.0347	\$1.825 per cwt.
Sugar, granulated.....do.....	.046	.0524	.0475	.047	.0436	\$1.95 per cwt.
Steel rails, Pittsburg....per ton..	28.00	28.00	28.00 *	28.00	28.00	\$7.84 per ton.
Ashton salt.....per bush..	2.10	2.25	2.25	2.25	2.25	12c. per lb.
Tin plate.....per cwt..	3.45	4.19	4.19	4.00	3.80	1½c. per lb.

RELATIVE CHANGE IN PRICES OF ARTICLES OF FARM PRODUCTION AND FARM CONSUMPTION.

Two additional tables on pages 144 and 145 show (1) the prices of leading articles of farm production, and (2) the prices of leading articles of farm consumption. Attention is especially called to these and to the fact that they show in nearly all cases a greater advance in prices of farm products than in prices of farm consumption, indicating that in this large and important class of those engaged in the great industries, earnings have grown more rapidly than the cost of living. These tables have been compiled, for the earlier years from the Aldrich tables on prices, and for the later period from prices tables prepared by the Bureau of Labor and Bureau of Statistics, being in all cases from official figures. The prices of farm products are from the official publications of the Department of Agriculture. The prices of farm products are those on the farm; those of other merchandise are the wholesale prices in New York. In most cases the prices quoted are an average of the available quotations for the year; those of wheat, however, being the prices for December 1st of each year, and those of animals, for January 1st of each year.

A study of these tables and the relative advance in prices of the leading articles presents some interesting facts, among them being the following: Wheat, which the farmer sells, shows an advance from 49.1c per bushel in 1894 to 69.5c in 1903, an increase of 40 per cent; while sugar, which is a staple article of purchase and consumption by the farmer (a trust-controlled article also) shows an advance from 4.12c per pound in 1894 to 4.64c per pound in 1903, an increase of but 12.6 per cent, as against a 40 per cent increase in wheat. Corn shows an increase of 68 per cent from 1894 to 1903, while coffee increased but 59 per cent meantime. Oats show an increase in price of 70 per cent from 1895 to 1903, and coal an increase of but 8.6 per cent. Horses show an increase of 71 per cent from 1895 to 1903, while nails, an article which the farmer must purchase, increased in the same time but 60 per cent. Sheep show an increase of 67 per cent from 1895 to 1903, and wool, an increase of 76 per cent; while carpets, made from the wool, show an increase of but 22 per cent meantime. Cotton shows an increase of 41 per cent from 1896 to 1903; and shirtings, drills, sheetings, and prints averaged show an increase of but 13 per cent, as against an increase of 41 per cent in the price of the raw material from which they are produced. Hay shows an increase of 38 per cent from 1896 to 1903, and salt for the same period showed a decline of 6.4 per cent. Swine show an increase of 41 per cent in price from 1896 to 1903, and mineral oil an increase of 37 per cent. Tobacco shows an increase from 1896 to 1903 of 15 per cent; men's brogan shoes show a decrease in the same period of 6.4 per cent. Potatoes show an increase of 115 per cent from 1896 to 1903, while starch shows a decline of 1.1 per cent in price during the same period.

SECRETARY JOB OF THE EMPLOYERS' ASSOCIATION ON RELATIVE ADVANCE IN WAGES AND COST OF LIVING.

Two other tables—one showing the advance in prices of articles of common use in the household, and the other the advance in wages—were prepared by Mr. Frederick W. Job, secretary of the Employers' Association of Chicago. The table of prices, entitled "Cost of Living in Chicago," was compiled in the latter part of 1903 and covers the first six months of 1903, which may be looked upon as the period of the very highest prices of the past few years, prices of nearly all articles having materially declined since that time. This table relates to the cost of living in Chicago in 1898 and the first six months of 1903, as applied to workmen earning wages from \$800 to \$1,000 per year. It includes in its grocery schedule, flour, sugar, coffee, tea, potatoes, butter, and eggs; and in its meat schedule, steak, beef, chops, breakfast bacon, ham, lard, and pickled pork. In the grocery schedule he finds an average increase of 5 per cent; in the meat schedule an average increase of 34 per cent; in the milk schedule



an increase of 20 per cent; in rents, about 20 per cent; in fuel, about 30 per cent; in clothing, a reduction of about 3 per cent; and from this he obtains an average increase in the cost of living in Chicago, over 1898, of 16.8 per cent. Mr. Job's second table relating to wages "among the increases in rates of wages in the past few years in Chicago," truck teamsters, an increase of 30 to 40 per cent; grocery-wagon drivers, 20 to 30 per cent; garment workers, of whom there are 16,000 in Chicago, cutters, 40 to 50 per cent advance; sewers, from 25 to 30 per cent; glove makers, from 20 to 25 per cent; railway street car employees, printers, brick layers, masons, boiler makers, and supply-house clerks, 20 per cent; box makers, 22½ per cent; electrical workers, men in lumber yards, and laundry workers, 25 per cent; harness makers, 30 per cent; stockyard employees, 35 per cent; coal miners, 35 to 45 per cent; and sheet metal workers and structural iron workers, 17½ per cent. It will be noted that in every one of these cases the increase in wages is greater than the average increase which he finds in the cost of living, and in numerous cases the increase in wages is more than twice as great as the increase in cost of living.

**Greater Savings Show the Falsity of the Assertion That the Cost of Living Has Advanced More Than Earnings.**

Figures quoted elsewhere also call attention to the fact that the funds deposited in savings banks, the sums paid for industrial life insurance, and the amounts being invested in building associations are much greater at the present time than during the period of abnormally low prices, a period when prices were low because the masses had little with which to buy. The fact that in all these great institutions for the savings of the workmen, the sums being deposited, whether as savings bank deposits, industrial life insurance premiums, or building association funds, are much greater at the present time than in earlier years shows beyond question that the assertion that cost of living has advanced more than wages is false; for if this were true men so employed would be compelled to decrease the amount of their earnings, while in fact their savings bank deposits are to-day 50 per cent in excess of those of 1896, and the amount of industrial life insurance outstanding is more than double that of 1896.

**National Bank Statistics for 1904, Compared with 1903.**

The statement which follows, issued by the Comptroller of the Currency on July 2, 1904, shows conditions in national banks on June 9, 1904, compared with the corresponding date in 1903, and is especially interesting in its relation to the assertions with reference to business conditions at the present time as compared with those of last year. It will be seen that in deposits, loans and discounts, circulation, and other features which are usually considered as indications of business conditions the figures of 1904 show an advance over those of the corresponding date of 1903.

	1903.	1904.	Increase.
Number of banks.....	4,939	5,331	392
Loans.....	\$3,415,045,751	\$3,595,013,467	\$179,967,716
United States bonds.....	527,101,439	554,460,797	27,359,358
Other bonds, etc.....	538,671,472	576,898,062	38,226,590
Specie.....	388,616,378	488,664,145	100,047,767
Legal tenders.....	163,592,829	169,729,173	6,136,344
Aggregate resources.....	6,286,935,106	6,655,988,687	369,053,581
Capital stock.....	743,506,048	767,378,148	23,872,100
Surplus and undivided profits.....	542,183,537	581,638,528	39,454,991
Circulation.....	359,261,109	399,583,838	40,322,729
Individual deposits.....	3,200,993,509	3,312,439,841	111,446,332

The upshot of all this is that it is peculiarly incumbent upon us in a time of such material well-being, both collectively as a nation and individually as citizens, to show, each on his own account, that we possess the qualities of prudence, self-knowledge, and self-restraint. In our Government we need above all things stability, fixity of economic policy.—President Roosevelt at Providence, R. I., Aug. 23, 1902.

## COMPARISON OF CONDITIONS IN THE UNITED STATES WITH THOSE IN OTHER PARTS OF THE WORLD.

The following tables, comparing conditions in the United States with those in other parts of the world, recently published in a leading financial journal of the United States, are suggestive and worthy of attention.

### Comparison of Development in the United States and United Kingdom.

During the past twenty years the percentages of increase in a number of vital items in national prosperity are shown by the following table:

#### *Percentages of increase 20 years.*

	Great Britain.	United States.
Population.....	18	49
National debt.....	2	*36
Exports.....	24	87
Banking capital.....	24	53
Deposits.....	122	198
Bank clearings, London and New York.....	69	63
Railway mileage.....	20	67
Railway capital.....	58	70
Railway receipts.....	54	109
Railway net earnings.....	24	67
Shipbuilding.....	63	1002
Merchant marine.....	42	43
Sailing ships.....	*44	*31
Steamers.....	56	580
Coal production.....	38	282
pig iron production.....	11	291
Cotton consumption.....	14	169
Wool consumption.....	30	13

\*Decrease.

### Condition in the United States Compared with That of the Remainder of the World.

The following table shows the relation of the United States to the rest of the world:

	World.	United States.	Per Cent U. S.
Area.....square miles..	51,238,000	3,616,484	7.0
Population.....	1,600,000,000	80,000,000	5.0
Internal commerce.....	22,000,000,000	2,445,000,000	11.0
Wealth.....	\$400,000,000,000	\$100,000,000,000	25.0
Banking power.....	\$27,045,000,000	\$14,000,000,000	52.0
Per capita money in circulation.....	\$9.47	\$30.38	....
Savings bank deposits.....	\$9,900,749,029	\$2,935,204,845	30.0
National debt.....	\$31,662,553,258	\$969,457,241	3.6
Government revenue.....	\$6,924,291,275	\$684,326,280	9.8
Government expenditures.....	\$6,908,507,815	\$593,038,903	8.5
Stock of gold.....	5,607,600,000	1,314,622,524	23.4
Stock of silver.....	3,869,300,000	673,300,000	17.4
Gold production.....	327,000,000	74,000,000	22.6
Life insurance in force.....	\$24,039,486,922	\$17,035,752,753	70.0
Railroads.....mileage..	490,000	194,000	39.5
Railroads.....passengers..	3,746,000,000	584,000,000	15.5
Railroads.....receipts..	3,840,000,000	1,487,044,814	38.7
Merchant tonnage.....	34,482,303	6,087,345	17.6
Area of coal fields.....square miles..	471,800	194,000	40.9
Coal production.....tons..	787,000,000	266,078,668	33.8
Copper production.....do...	525,357	272,685	51.0
Zinc production.....do...	502,104	127,751	25.2
Pig iron production.....do...	44,557,991	18,003,448	40.9
Steel production.....do...	36,479,783	15,186,406	41.7
Wheat crop.....bushels..	3,124,422,000	670,063,000	21.4
Corn crop.....do...	3,070,920,000	2,244,000,000	73.0
Barley crop.....do...	1,777,656,000	670,063,008	37.7
Rye crop, bushels.....do...	1,678,714,000	33,631,000	20.0
Cotton crop.....bales..	13,120,000	10,758,326	82.0
Wool crop.....pounds..	2,667,686,000	287,450,000	10.8
Number of telegraph messages.....	448,019,887	91,300,000	20.3
Newspapers and periodicals.....	58,794	21,000	36.0
Armed strength, land men:			
Peace footing.....	4,484,736	59,866	1.3
War footing.....	34,347,684	8,347,684	24.5

*Commerce of the United States and United Kingdom from 1860 to 1903, and of Germany from 1872 to 1902. Showing exports of all domestic merchandise; also exports of domestic manufacture from each country named.*

Year.	Imports of merchandise.			Exports of domestic merchandise.			Exports of domestic manufactures.		
	United Kingdom.	Germany. (a)	United States. (b)	United Kingdom.	Germany.	United States. (b)	United Kingdom.	Germany.	United States. (b)
1860.....	Dollars. 1,024,549,000	Dollars. .....	Dollars. 353,616,000	Dollars. 661,314,000	Dollars. .....	Dollars. 316,242,423	Dollars. 613,358,000	Dollars. .....	Dollars. 40,346,000
1865.....	1,319,172,000	.....	238,746,000	807,041,000	.....	136,940,248	750,056,000	.....	59,037,000
1870.....	1,475,800,000	(c) 1775,128,000	435,958,000	971,285,000	(c) 551,618,000	376,616,473	900,168,000	.....	68,280,000
1875.....	1,819,779,000	839,590,000	533,005,000	1,087,497,000	593,052,000	499,284,100	978,886,000	.....	81,071,000
1880.....	2,001,251,000	670,945,000	667,955,000	1,085,521,000	688,500,000	823,946,353	970,681,000	.....	102,856,000
1885.....	1,805,316,000	699,067,000	577,527,000	1,037,124,000	680,551,000	726,682,946	913,353,000	460,279,000	147,188,000
1890.....	2,047,298,000	990,023,000	789,310,000	1,282,472,000	791,717,000	845,293,828	1,118,657,000	504,623,000	151,102,000
1895.....	2,027,822,000	980,719,000	731,970,000	1,100,453,000	789,660,000	793,392,599	953,800,000	518,096,000	183,596,000
1900.....	2,545,544,000	1,372,216,000	849,941,000	1,417,086,000	1,097,509,000	1,370,763,571	1,142,603,000	709,806,000	433,852,000
1901.....	2,540,264,000	1,290,254,000	823,172,000	1,362,729,000	1,054,685,000	1,460,462,806	1,110,131,000	688,409,000	410,933,000
1902.....	2,571,416,000	1,340,178,000	903,321,000	1,379,283,000	1,111,008,000	1,355,481,861	1,127,606,000	735,176,000	403,641,000
1903.....	2,642,094,050	1,424,080,000	1,025,719,000	1,415,179,000	1,185,138,000	1,392,231,302	1,163,812,000	.....	407,526,000

c 1872.

b Years, ending June 30.

a Imports for consumption.

*Commerce of the world since 1830.*

[Aggregate of imports and exports in millions of dollars.]

Country.	1830.	1840.	1850.	1860.	1870.	1880.	1890.	1897.	1903.
United Kingdom.....	422	547	811	1,800	2,625	3,350	3,552	3,389	4,056
France.....	197	317	456	801	1,089	1,627	1,493	1,450 a	1,702
Germany.....	220	249	336	624	1,017	1,411	1,761	1,996	2,698
Russia.....	134	158	192	230	494	629	566	618	b799
Austria-Hungary.....	72	105	139	225	398	513	441	609	a809
Italy.....	96	144	182	249	317	437	451	438	a637
Spain.....	33	48	53	120	197	240	283	301	a312
Portugal.....	14	19	24	38	48	67	86	73	a97
Holland and Belgium....	144	216	293	413	653	1,137	1,488	1,915 c	2,431
United States.....	105	197	297	653	792	1,478	1,536	1,815 d	2,418
Spanish America.....	168	230	336	451	648	768	797	826	c965
British colonies.....	43	101	211	494	614	974	1,430	1,550 c	2,292
India.....	48	96	144	249	408	518	629	440	c664
Other countries.....	264	323	326	853	1,200	1,351	2,287	3,020 c	2,866
The world.....	1,960	2,750	3,800	7,200	10,500	14,500	16,800	18,500	22,746

a Preliminary figures for 1903, subject to correction.

b Trade over the European frontier only.

c 1902.

d Fiscal year ending June 30.



*Total expenditures and per capita expenditures of the principal countries of the world.*

Countries.	Population.	Year.	Expenditure.	Per capita expenditures.
			Dollars.	Dollars.
Argentina .....	4,794,000	1901	60,757,000	12.69
Australasia:				
Commonwealth .....	3,772,000	1902-3	142,148,000	37.69
New Zealand .....	788,000	1902-3	30,241,000	38.38
Austria-Hungary .....	45,405,000	1902-3	647,969,000	14.27
Belgium .....	6,694,000	1901	116,500,000	17.40
Canada .....	5,457,000	1902	50,759,000	9.30
Cuba .....	1,573,000	1902	19,515,000	12.40
France .....	38,962,000	1902	695,250,000	17.84
German Empire .....	58,549,000	1901	553,222,000	9.44
Italy .....	32,475,000	1902-3	356,492,000	10.97
Netherlands .....	5,347,000	1901	61,468,000	11.49
Paraguay .....	636,000	1902	11,007,000	17.30
Portugal .....	5,429,000	1901-2	62,170,000	11.45
Spain .....	18,618,000	1902	187,846,000	10.00
Sweden .....	5,199,000	1901	49,593,000	9.53
United Kingdom .....	41,961,000	1902-3	897,790,000	21.39
United States .....	80,372,000	1902-3	640,323,000	7.97

*Wealth and debt of principal nations:*

[Eugene Parsons, in Gunton's Magazine, April, 1904.]

Countries.	Wealth. (a)	Debt.	Per capita debt.
	Dollars.	Dollars.	Dollars.
United States .....	100,000,000,000	925,000,000	11
United Kingdom .....	59,000,000,000	3,885,000,000	92
France .....	48,000,000,000	5,856,000,000	150
Germany (Empire) .....	40,000,000,000	b 698,000,000	60
Russia .....	32,000,000,000	3,333,000,000	24
Austria-Hungary .....	21,649,000,000	1,112,000,000	25
Italy .....	15,168,000,000	2,560,000,000	81
Spain .....	11,424,000,000	2,061,000,000	110
Scandinavia .....	6,220,800,000	Not stated.	.....
Danubian States .....	4,924,800,000	Not stated.	.....
Belgium .....	4,742,400,000	504,000,000	81
Netherlands .....	4,224,000,000	466,000,000	86
Portugal .....	1,978,800,000	670,000,000	151
Greece .....	1,065,600,000	168,000,000	69
Argentina .....	Not stated.	509,000,000	100
Egypt .....	Not stated.	500,000,000	53
Turkey .....	Not stated.	726,000,000	29
Brazil .....	Not stated.	480,000,000	33
Canada .....	Not stated.	265,000,000	50
Roumania .....	Not stated.	280,000,000	47
Mexico .....	Not stated.	168,000,000	13
Uruguay .....	Not stated.	124,000,000	132
Chile .....	Not stated.	113,000,000	36

a Figures for United States, 1903; United Kingdom, France, and Germany, 1901; remaining countries, 1895.

b Exclusive of German States, \$2,687,000,000.

*Estimate of manufactures of principal countries, 1900.*

[Wm. J. Clark, in Engineering Magazine, May, 1904.]

United States .....	\$13,004,400,133
United Kingdom .....	5,000,000,000
Germany .....	4,600,500,000
France .....	3,450,000,000
Austria-Hungary .....	2,000,000,000
Russia .....	1,980,000,000
Italy .....	1,700,000,000
Canada .....	800,000,000
Belgium .....	750,000,000

There is no worse enemy of the wage-worker than the man who condones mob violence in any shape, or who preaches class hatred; and surely the slightest acquaintance with our industrial history should teach even the most shortsighted that the times of most suffering for our people as a whole, the times when business is stagnant, and capital suffers from shrinkage and gets no return from its investments, are exactly the times of hardship and want and grim disaster among the poor.—President Roosevelt at Syracuse, N. Y., September 7, 1903.

## BUSINESS AND INDUSTRIAL RECORD, 1893=1896.

[From Appleton's Annual Cyclopaedia, 1893, 1894, and 1895.]

July 18, 1893: Denver, Colo.; four banks close their doors and there are runs on other financial institutions.

July 19: More banks close their doors.

July 20: Kansas; fight between strikers and nonunion miners at Weir City.

July 22: Two bank failures in Milwaukee and runs on banks in many other places.

July 24: More bank failures in the West.

July 26: New York; two stock exchange firms fail.

July 27: Ten banks suspend, most of them Northwestern. Other business failures reported.

July 28: More failures and suspensions, including nine banks in the West and one in Kentucky.

August 1: Collapse of the Chicago provision deal. Many failures of commission houses. Great excitement in the board of trade.

August 8: The Chemical Bank, one of the strongest in the country, is unable to fill its weekly orders for small currency.

August: Madison Square Bank suspends.

August 17: Much excitement on east side New York among Hebrew laborers. Police called out.

August 22: Encounter between anarchists and socialists averted by police in New York.

August 23: Meeting of anarchists broken up by police.

August 30: Kansas coal miners strike ended with nothing gained.

January 15, 1894: Secretary of the Treasury Carlisle announces his intention to issue bonds.

January 17: The Secretary of the Treasury offers a \$50,000,000 loan for public subscription, according to his announced intentions.

January 24: Strike in Ohio of 10,000 miners.

January 27: A mob of foreign miners destroy property at Brantville, Pa., and elsewhere.

February 16: Many New York silk factories close on account of strike.

February 18: In Ohio all the mines of the Massillon district closed by strike.

February 20: In Boston a riotous assemblage of unemployed workmen dispersed by police.

March 2: Six thousand miners in Jackson County, Ohio, out of employment.

Paterson, N. J.: General strike among the silk weavers.

March 3: In West Virginia striking miners burn the railroad bridge and commit other lawless acts.

March 13: At Paterson, N. J., riotous proceeding on the part of the striking silk weavers.

March 17: In Colorado Governor Waite orders State troops to Cripple Creek to suppress mining troubles.

March 20: In Boston a large body of unemployed workingmen march to the State House and demand employment.

March 24: A movement inaugurated in various parts of the Northern States, known as the Army of the Commonwealth, Coxeyites, etc., proposing marching to Washington and demanding help at the hands of Congress.

March 31: Coxeyites are a source of terror to certain Western towns upon which they quarter themselves.

April 1: In South Carolina a large force of State militia is dispatched to the scene of the whisky war in Darlington and Florence.

In Ohio a mob of strikers at East Liverpool becomes riotous and several persons are injured.

April 2: In Chicago 5,000 plumbers, painters, etc., go on a strike.

At Connellsville, Pa., 5,000 coke workers strike.

April 3: In South Carolina the governor assumes control of the police and declares martial law in all the cities of the State.

April 4: In Pennsylvania 6 men killed and 1 wounded in coke riots.

April 13: General strike for higher wages on Great Northern Railway.

In Alabama: The general council of United Mine Workers orders a strike affecting 8,000 men.

April 16: Strike on the Great Northern spreads to the Northern Pacific.

April 20: In Omaha a mob seizes a train of box cars and attempts to deport Kelly's industrial army, but the army refuses to go.

April 21: About 150,000 miners stop work in sympathy with the coke strikers of Pennsylvania.

April 28: Arrival of a division of the Coxey army at Washington.

A division of the Coxeyites arrested at Mount Sterling for holding up a railway train.

United States troops ordered to assist the civil authorities in the far West.

On the Great Northern Railroad system the Knights of Labor are called out on strike.

April 29: Kelly's army, 1,200 strong, at Des Moines.

April 30: Strike of 2,000 painters in Chicago.

May 1: Attempted demonstrations of Coxey's army on the steps of the Capitol. Leaders arrested.

May 2: In Ohio a mob of Italians and Poles attack the iron mills, but the riot is subdued by the police.

May 4: Further bloodshed in the coke regions of Pennsylvania; killed and wounded on both sides.

May 9: Kelly's army sails from Des Moines on flatboats.

May 10: Several deputy marshals and citizens shot in a conflict with Coxeyites.

May 11: Two thousand Pullman car employees strike at Chicago for last year's wages.

May 12: The captured Coxey army is removed to Leavenworth, where there is a strong garrison of regulars.

May 13: Arrest of a commonweal army by United States marshal at Greenriver, Wyoming.

May 19: Several hundred employees of the Government Printing office dismissed.

May 19: Considerable detachments of commonweal armies are suffering from cold and hunger in the neighborhood of Cincinnati.

May 25: In Ohio more conflict between striking miners and deputy sheriffs.

May 26: In Pennsylvania the governor goes to the coke regions to use his personal influence toward allaying the disturbances.

In Colorado the governor orders out the militia to suppress riotous miners at Cripple Creek.

May 27: In Illinois the governor orders troops to Minonk, where a mob has taken possession of a railway train.

May 30: In Pennsylvania the governor issues a warning to coke rioters.

In Ohio: Governor McKinley orders out the militia to prevent interference with coal trains.

June 1: At St. Louis 1,000 carpenters strike.

General Kelly and his industrial army leave the city.

June 4: At Washington destitution among the commonwealers.

June 5: Militia ordered out to quell striking miners.

In Idaho a number of commonwealers sentenced to imprisonment for train stealing.

June 7: In Ohio trains move under the protection of the militia.

Kelly and his commonwealers abandon their boats at Cairo and resume their march on Washington.

June 9: Nineteen commonwealers sentenced to jail for various offenses.



June 10: Coal strikers in Pennsylvania killed and wounded in an encounter with sheriffs at Lamont. State troops on both sides of the Ohio River harassed by strikers.

June 11: Continued destruction of railroad property in Ohio and Alabama.

June 17: The Indiana miners continue to strike. Striking miners in Ohio, Pennsylvania, and West Virginia decide to return to work.

Twenty-three commonwealers in Illinois sent to jail for train stealing.

June 18: Wisconsin; General Cantwell's industrial army captures a train and rides 200 miles.

At Leavenworth 121 commonwealers sentenced and sent to various county jails.

June 20: On the Gogebic range, Mich., 2,000 miners go on a strike.

June 21: Governor of Pennsylvania orders out troops to suppress disorders in Jefferson County.

In Illinois: Twenty-five strikers indicted by grand jury.

June 25: In St. Louis and Ludlow, Ky., about 500 employees strike work from Pullman Car Company.

June 26: Boycott against Pullman cars goes into effect.

Industrial army disturbances are thus far reported in 14 States and 2 Territories.

June 28: The railway strike spreads so as to include nearly all the great railroads between the Mississippi and the Pacific.

June 30: The month closes with a most threatening state of affairs in the West and the Northwest; violence continues to increase at all the strike centers.

July 1: The Federal Government takes active steps to protect mails in transit through the region of disturbance.

July 2: United States courts at Chicago issue a general order against strikers, and United States troops are called out.

July 3: Strikers block the operations of all railways from Chicago westward. Regulars and State troops in strong force ordered to the scene of action.

July 5: Great destruction of property by rioters at Chicago. Encounters with militia at Sioux City and Asbury Park.

July 6: Many cars burned by rioters in Chicago. Governor Altgeld protests against the intervention of United States troops.

July 7: State troops fire on mob at Chicago.

United States regulars assume control of the Northern Pacific and Union Pacific railroads.

July 8: Regulars disperse mob at Hammond, Ind.; 1 killed and 4 wounded.

July 10: Debs and other labor leaders arrested at Chicago, but released on bail. General call upon all Knights of Labor to strike. Regulars start for Sacramento, Cal., which has been for several days under mob rule.

July 11: About 15,000 workingmen strike at Chicago.

Strikers wreck a train at Sacramento, Cal., killing the engineer and 3 soldiers and injuring others.

July 13: Regulars fire upon a mob at Sacramento. A detachment of Kelly's industrial army captures a train in Ohio.

July 15: Strikers wreck a freight train at Indianapolis.

July 17: Debs and other leaders sent to jail by Federal court.

August 10: Two companies of State militia ordered to South Omaha to restrain packing-house strikers.

August 11: An industrial army at Rosslyn, Va., dispersed by State troops.

August 13: Adoption of the amended Wilson tariff bill by both houses of Congress.

August 23: Lockout of 25,000 mill operatives at Fall River, Mass.

September 15: Strike of 38,000 mill operatives at Fall River.

September 20: General strike of garment workers in Boston.

September 24: Strike of 3,000 shirt makers in New York.

October 23: Residents of Indian Territory ask the Government to detail troops for the protection of private property.

Resumption of strike among the textile workers at Fall River.

November 13: Secretary of the Treasury Carlisle issues a call for another loan of \$50,000,000 on five per cent ten-year bonds.

*Imports and exports of the United States.*

Fiscal Years.	Imports.	Exports.	Excess of imports.	Excess of exports.
1790.....	\$23,000,000	\$20,205,156	\$2,794,844	
1800.....	91,252,768	70,971,780	20,280,988	
1810.....	85,400,000	66,757,970	18,642,030	
1820.....	74,450,000	69,691,669	4,758,331	
1824.....	72,169,172	68,972,105	3,197,067	
1825.....	90,189,310	90,738,333		\$549,023
1826.....	78,093,511	72,890,789	5,202,722	
1827.....	71,332,938	74,309,947		2,977,009
1828.....	81,020,083	64,021,210	16,998,873	
1829.....	67,088,915	67,434,651		345,736
1830.....	62,720,956	71,670,735		8,949,779
1831.....	95,885,179	72,295,652	23,589,527	
1832.....	95,121,762	81,520,603	13,601,159	
1833.....	101,047,943	87,528,732	13,519,211	
1834.....	108,609,700	102,260,215	6,349,485	
1835.....	136,764,295	115,215,802	21,548,493	
1836.....	176,579,154	124,338,704	52,240,450	
1837.....	130,472,803	111,443,127	19,029,676	
1838.....	95,970,288	104,978,570		9,008,282
1839.....	156,496,956	112,251,673	44,245,283	
1840.....	98,258,706	123,668,932		25,410,226
1841.....	122,957,544	111,817,471	11,140,073	
1842.....	96,075,071	99,877,995		3,802,924
1843.....	42,433,464	82,825,689		40,392,225
1844.....	102,604,606	105,745,832		3,141,226
1845.....	113,184,322	106,040,111	7,144,211	
1846.....	117,914,065	109,583,248	8,330,817	
1847.....	122,424,349	156,741,598		34,317,249
1848.....	148,638,644	138,190,515	10,448,129	
1849.....	141,206,199	140,351,172	855,027	
1850.....	173,509,526	144,375,726	29,133,800	
1851.....	210,771,429	188,915,259	21,856,170	
1852.....	207,440,398	166,984,231	40,456,167	
1853.....	263,777,265	203,489,282	60,287,983	
1854.....	297,803,794	237,043,764	60,760,030	
1855.....	257,808,708	218,909,503	38,899,205	
1856.....	310,432,310	281,219,423	29,212,887	
1857.....	348,428,342	293,823,760	54,604,582	
1858.....	263,338,654	272,011,274		8,672,620
1859.....	331,333,341	292,902,051	38,431,290	
1860.....	353,616,119	333,576,057	20,040,062	
1861.....	289,310,542	219,553,833	69,756,709	
1862.....	189,356,677	190,670,501		1,313,824
1863.....	243,335,815	203,964,447	39,371,368	
1864.....	316,447,283	158,837,988	157,609,295	
1865.....	238,745,580	166,029,303	72,716,277	
1866.....	434,812,066	348,859,522	85,952,544	
1867.....	395,761,096	294,506,141	101,254,955	
1868.....	357,436,440	281,952,899	75,483,541	
1869.....	417,506,379	286,117,697	131,388,682	
1870.....	435,958,408	392,771,768	43,186,640	
1871.....	520,223,684	442,820,178	77,403,506	
1872.....	626,595,077	444,177,586	182,417,491	
1873.....	642,136,210	522,479,922	119,656,288	
1874.....	567,406,342	586,283,040		18,876,698
1875.....	533,005,436	513,442,711	19,562,725	
1876.....	460,741,190	540,384,671		79,643,481
1877.....	451,323,126	602,475,220		151,152,094
1878.....	437,051,532	694,865,766		257,814,234
1879.....	445,777,775	710,439,441		264,661,666
1880.....	667,954,746	835,638,658		167,683,912
1881.....	642,664,628	902,377,346		259,712,718
1882.....	724,639,574	750,542,257		25,902,683
1883.....	723,180,914	823,839,402		100,658,488
1884.....	667,697,693	740,513,609		72,815,916
1885.....	577,527,329	742,189,755		164,662,426
1886.....	635,436,136	679,524,830		44,088,694
1887.....	692,319,768	716,183,211		23,863,443
1888.....	723,957,114	695,954,507	28,002,607	
1889.....	745,131,652	742,401,375	2,730,277	
1890.....	789,310,409	857,828,684		68,518,275
1891.....	844,916,196	884,480,810		39,564,614
1892.....	827,402,462	1,030,278,148		202,875,686
1893.....	866,400,922	847,665,194	18,735,728	
1894.....	654,994,622	892,140,572		237,145,950
1895.....	731,969,965	807,538,165		75,568,200
1896.....	779,724,674	882,606,938		102,882,264
1897.....	764,730,412	1,050,993,556		286,263,144
1898.....	616,049,654	1,231,482,330		615,432,676
1899.....	697,148,489	1,227,023,302		529,874,813
1900.....	849,941,184	1,394,483,082		544,541,898
1901.....	823,172,165	1,487,764,991		664,592,826
1902.....	903,320,948	1,381,719,401		478,398,453
1903.....	1,025,719,237	1,420,141,679		394,422,442
*Total.....	\$34,279,263,510	\$37,863,335,440		\$*3,584,071,930

\* The totals include the figures of all omitted years and are thus the totals of all years from 1789 to 1903.

*Imports by groups, showing increase of share which manufacturers' material forms of total imports, and decrease of share which manufactures form of total, 1850 to 1903.*

Year ending June 30—	(A) Articles of food, and animals.		(B) Articles in a crude con- dition which enter into the various processes of domestic industry.		(C) Articles wholly or parti- ally manufactured, for use as materials in the manu- factures and mechanic arts.		(D) Articles manufactured, ready for consumption.		(E) Articles of voluntary use, luxuries, etc.		Total.
	Dollars.	Per cent. of total.	Dollars.	Per cent. of total.	Dollars.	Per cent. of total.	Dollars.	Per cent. of total.	Dollars	Per cent.	
1850.....	32,718,076	18.86	18,105,147	10.44	30,857,522	17.78	65,887,552	37.97	25,941,229	14.95	173,509,525
1855.....	54,040,826	20.96	42,785,531	16.60	26,516,837	10.28	89,068,456	34.55	45,397,057	17.61	257,808,708
1860.....	78,338,514	22.15	61,570,477	17.41	31,939,551	9.03	123,741,654	35.00	58,025,923	16.41	353,616,119
1865.....	58,275,011	24.41	68,630,164	28.75	23,030,711	9.65	73,921,056	27.61	22,888,638	9.58	288,745,580
1870.....	139,213,092	32.65	66,909,565	15.69	53,658,296	12.59	119,298,235	27.98	47,266,822	11.09	426,346,010
1875.....	196,311,459	36.84	86,710,272	16.27	54,523,279	10.23	141,102,412	26.48	54,206,601	10.18	532,854,023
1880.....	199,165,963	31.72	160,055,876	25.52	73,186,963	11.66	130,004,643	20.72	65,141,826	10.38	627,555,271
1885.....	194,266,360	33.52	119,609,342	20.64	72,456,952	12.50	119,027,569	20.54	74,219,831	12.81	579,580,054
1886.....	196,206,228	31.38	144,052,022	23.04	78,544,473	12.56	126,270,855	20.19	80,235,226	12.83	625,308,814
1887.....	211,456,849	30.94	165,931,692	24.28	79,655,324	11.66	136,038,771	19.90	90,336,345	13.22	683,418,981
1888.....	219,395,376	30.80	168,029,649	23.59	84,706,262	11.93	144,730,885	20.33	95,326,454	13.38	712,248,626
1889.....	240,666,693	32.45	172,134,716	23.22	84,354,509	11.33	147,596,641	19.91	96,678,889	13.04	741,431,398
1890.....	248,600,646	32.13	178,435,512	23.06	84,700,568	10.94	154,469,354	19.96	107,468,732	13.91	773,674,812
1891.....	290,376,776	33.98	195,917,620	22.93	109,262,436	12.79	147,428,403	17.25	111,534,342	13.05	854,519,577
1892.....	299,668,507	36.83	197,840,369	24.32	80,479,597	9.89	142,074,936	17.46	97,537,986	11.50	813,601,345
1893.....	269,277,229	31.89	218,310,959	25.85	94,604,856	11.20	153,813,885	18.22	108,447,555	12.84	844,454,584
*1894.....	275,831,974	43.33	126,643,273	19.89	65,720,999	10.32	99,320,455	15.60	69,097,719	10.86	636,614,420
*1895.....	226,432,171	30.97	187,482,743	25.64	88,768,478	11.46	140,773,811	19.25	92,714,887	12.68	731,162,090
*1896.....	228,906,058	30.13	201,850,498	26.57	79,451,708	10.46	160,203,601	21.09	89,282,219	11.75	759,694,084
*1897.....	254,657,954	32.27	207,268,155	26.26	69,822,999	8.85	165,021,884	20.91	92,480,037	11.72	789,251,030
1898.....	170,745,733	29.08	188,940,718	32.16	58,170,755	9.91	94,709,211	16.15	74,587,288	12.70	587,153,700
1899.....	207,468,197	30.27	218,110,941	31.82	60,062,540	8.76	110,735,447	16.15	89,064,764	13.00	685,441,889
1900.....	216,107,303	26.02	299,351,033	36.04	80,575,042	9.27	130,577,155	15.72	103,908,719	12.51	830,519,252
1901.....	213,933,490	26.48	270,701,511	38.51	74,866,686	9.70	135,753,899	16.81	112,507,715	13.95	807,763,701
1902.....	205,047,442	22.79	328,506,597	36.51	86,645,277	9.63	151,410,397	16.13	128,184,041	14.24	899,793,754
1903.....	212,057,293	21.04	383,634,293	38.06	97,194,094	9.64	169,259,497	16.79	145,814,933	14.47	1,007,960,110
1904.....											

\* Democratic and low tariff years.



## Exports of domestic products from the United States by great classes.

[From the Statistical Abstract.]

Years.	Agriculture.		Exports of domestic manufactures.		Mining.		Forest.		Fisheries.		Miscellaneous.		Total exports of domestic merchandise.
	Dollars.	Per cent.	Dollars.	Per cent.	Dollars.	Per cent.	Dollars.	Per cent.	Dollars.	Per cent.	Dollars.	Per cent.	
1850	108,605,713	80.51	17,880,456	13.03	167,090	0.12	4,590,747	3.40	2,824,818	2.10	1,131,409	.84	134,900,233
1855	145,423,788	75.45	29,854,384	15.49	2,370,435	1.23	8,879,743	4.61	3,380,431	1.75	2,842,344	1.47	192,751,135
1860	256,560,972	81.13	40,345,892	12.76	999,465	.31	10,299,959	3.26	4,156,480	1.31	3,879,655	1.23	316,242,423
1865	156,662,846	60.46	59,036,644	22.78	10,791,675	4.17	14,858,193	5.73	4,794,989	1.85	12,980,716	5.01	259,125,063
1870	361,188,483	79.35	68,279,764	15.00	5,026,111	1.10	14,897,963	3.27	2,835,508	.62	2,980,512	.66	455,208,341
1875	430,306,560	76.95	92,678,814	16.57	6,469,181	1.15	19,165,907	3.43	4,874,660	.87	5,742,506	1.03	559,237,638
1880	685,961,091	83.25	102,856,015	12.48	5,863,232	.71	17,321,268	2.11	5,255,402	.64	6,689,345	.81	823,946,353
1885	530,172,966	72.96	147,187,527	20.25	15,797,885	2.18	22,014,839	3.03	5,955,122	.76	5,554,607	.71	726,682,946
1886*	484,954,595	72.82	136,541,978	20.50	13,654,286	2.05	20,961,708	3.15	5,138,806	.77	4,713,156	.71	665,964,529
1887*	523,073,798	74.41	136,735,105	19.45	11,758,662	1.67	21,126,273	3.01	5,155,775	.73	5,173,310	.73	703,022,923
1888*	500,840,086	73.23	130,300,087	19.05	17,993,895	2.63	23,991,092	3.51	5,518,552	.82	5,218,392	.76	683,862,104
1889*	532,141,490	72.87	138,675,507	18.99	19,947,518	2.73	26,997,127	3.70	7,106,388	.97	5,414,579	.74	730,282,609
1890	629,830,808	74.51	151,102,376	17.87	22,297,755	2.64	29,473,084	3.49	7,458,385	.88	5,141,420	.61	845,293,828
1891	642,751,344	73.69	163,927,315	19.37	22,054,970	2.53	28,715,713	3.29	6,208,577	.71	3,612,364	.41	872,270,283
1892	798,328,232	78.69	159,510,937	15.61	20,692,885	2.04	27,957,423	3.22	5,403,587	.53	3,838,947	.38	1,015,732,011
1893	615,382,986	74.05	158,023,118	19.02	20,020,026	2.41	28,127,113	3.38	5,541,378	.67	3,936,164	.47	831,030,785
1894†	628,363,038	72.28	183,728,808	21.14	20,449,598	2.35	28,000,629	3.22	4,261,920	.49	4,400,944	.52	869,204,937
1895†	553,210,026	69.73	183,595,743	23.14	18,509,814	2.33	28,576,235	3.61	5,328,807	.67	4,171,974	.52	793,392,599
1896†	569,879,297	66.02	228,571,178	26.48	20,045,654	2.32	33,718,204	3.91	6,850,392	.79	4,135,762	.48	863,200,487
1897†	683,471,139	66.23	277,985,391	26.87	20,804,573	2.01	40,489,321	3.92	6,477,951	.63	3,479,228	.34	1,032,007,603
1898	853,683,570	70.54	290,697,354	24.02	19,410,707	1.60	37,900,171	3.13	5,435,483	.45	3,164,628	.26	1,210,291,913
1899	784,776,142	65.19	339,592,146	28.21	28,156,174	2.34	42,126,889	3.49	5,992,999	.50	3,286,872	.27	1,203,931,222
1900	835,858,123	60.98	433,851,756	31.65	37,843,742	2.76	52,218,112	3.81	6,326,620	.46	4,065,218	.34	1,370,763,571
1901	943,811,020	64.62	410,932,524	28.14	39,207,875	2.68	54,317,294	3.72	7,683,353	.31	4,510,740	.31	1,460,462,806
1902	851,465,622	62.83	403,641,401	29.77	39,216,112	2.90	48,188,661	3.55	7,705,065	.57	5,265,000	.38	1,355,481,861
1903	873,322,882	62.73	407,526,159	29.28	39,311,239	2.81	57,835,896	4.16	7,805,538	.56	6,429,588	.46	1,392,231,302

\* Democratic years.

† Democratic and low tariff years.

Years.	Commerce by grand divisions of the world.											Years.
	Exports from the United States to—											
	Europe.		North America.		South America.		Asia.		Oceania. a		Africa.	
	Dollars.	Per cent of total.	Dollars.	Per cent of total.	Dollars.	Per cent of total.	Dollars.	Per cent of total.	Dollars.	Per cent of total.	Dollars.	Per cent of total.
1850 .....	113,862,253	74.96	24,722,610	16.27	9,076,724	5.98	3,051,720	2.01	208,129	.14	977,284	.64
1855 .....	200,761,143	72.96	50,816,532	18.47	13,455,417	4.18	3,516,195	1.28	4,673,429	1.70	1,934,130	.85
1860 .....	310,272,818	77.54	53,325,937	13.33	16,742,100	4.89	11,067,921	2.77	5,373,497	1.34	3,227,760	.84
1865 .....	201,758,310	59.92	94,837,990	28.17	21,606,908	6.42	8,529,596	2.53	7,552,117	2.24	2,412,202	.72
1870 b.....	420,184,014	79.35	68,962,006	13.03	21,651,459	4.09	10,972,064	2.07	4,334,991	.82	c 3,414,768	.64
1875 .....	533,544,921	80.17	86,166,454	12.95	24,096,950	3.62	13,972,305	2.10	4,276,979	.64	c 3,470,782	.52
1880 .....	719,433,788	86.10	69,437,783	8.31	23,190,220	2.77	11,645,703	1.39	d 6,846,698	.82	d 5,084,466	.61
1885 .....	599,240,748	80.75	76,764,748	10.34	27,734,857	3.74	20,739,972	2.79	d 13,605,468	1.83	d 4,103,962	.55
1886 .....	541,373,039	79.67	71,980,400	10.59	26,131,991	3.85	22,113,992	3.25	d 14,226,999	2.11	d 3,598,409	.53
1887 .....	575,300,326	80.33	73,425,948	10.25	30,744,497	4.29	e 19,322,172	2.70	13,438,146	1.87	c 3,952,122	.56
1888 .....	549,092,503	78.88	79,995,497	11.50	29,579,227	4.25	18,929,152	2.73	14,746,065	2.12	c 3,612,063	.52
1889 .....	578,902,520	77.98	89,550,476	12.06	35,021,017	4.72	18,439,626	2.48	16,239,403	2.19	c 4,248,333	.57
1890 .....	683,736,397	79.74	94,100,410	10.98	38,752,648	4.52	19,696,820	2.30	16,460,269	1.92	4,613,702	.54
1891 .....	704,798,047	79.73	96,549,129	10.92	33,708,290	3.81	25,553,308	2.89	18,621,801	2.11	4,757,897	.54
1892 .....	850,623,150	82.60	105,566,184	10.25	33,147,614	3.21	19,590,350	1.81	15,572,767	1.51	5,061,265	.62
1893 .....	661,976,910	78.10	119,788,889	14.13	32,639,077	3.85	16,222,354	1.91	11,199,477	1.32	5,196,480	.69
1894 .....	700,870,822	78.57	119,693,212	13.42	33,212,310	3.72	20,872,761	2.34	11,914,182	1.34	4,923,859	.61
1895 .....	627,927,692	77.76	108,575,594	13.45	33,525,935	4.15	17,325,057	2.15	13,109,231	1.62	6,377,842	.87
1896 .....	673,043,753	76.26	116,567,496	13.21	36,297,671	4.11	25,630,029	2.90	17,197,229	1.95	13,870,760	1.57
1897 .....	813,385,644	77.39	124,958,461	11.89	33,768,646	3.21	39,274,905	3.74	22,652,773	2.16	16,953,127	1.61
1898 .....	973,806,245	79.07	139,627,841	11.35	33,821,701	2.75	44,707,791	3.63	22,003,022	1.78	17,515,730	1.42
1899 .....	936,602,093	76.33	157,931,707	12.87	35,659,902	2.91	48,360,161	3.94	29,875,015	2.43	18,594,424	1.52
1900 .....	1,040,167,763	74.60	187,594,625	13.45	38,945,763	2.79	64,913,807	4.66	43,391,275	3.11	19,469,849	1.79
1901 .....	1,136,504,605	76.39	196,534,460	13.21	44,400,195	2.98	49,390,712	3.34	35,392,401	2.36	25,542,618	1.72
1902 .....	1,008,033,981	72.96	203,971,080	14.76	38,043,617	2.75	63,944,077	4.63	34,258,041	2.48	33,468,605	2.42
1903 .....	1,029,256,657	72.48	215,482,769	15.16	41,137,872	2.90	58,359,016	4.11	37,468,512	2.64	38,436,853	2.71

a Hawaiian Islands not included after 1900.

b From 1870 to 1878 specie is included in totals, but excluded in following years.

c Includes "All other countries."

d Includes "All other Spanish possessions."  
e Includes "All other countries in Asia and Oceania."

## Exports of the United States to the grand divisions of the world.

[From the Statistical Abstract.]

Years.		Commerce by grand divisions of the world.													Years.		
Imports into the United States from--																	
Europe.			North America.			South America.			Asia.			Oceania.			Africa.		
Dollars.	Per cent of total.		Dollars.	Per cent of total.		Dollars.	Per cent of total.		Dollars.	Per cent of total.		Dollars.	Per cent of total.		Dollars.	Per cent of total.	
124,954,302	70.14		24,136,879	13.55		16,647,637	9.35		10,315,486	5.79		1,401,340	.79		682,151	.38	
165,079,384	63.13		44,781,394	17.13		27,894,179	10.67		18,288,328	6.99		3,575,574	1.37		1,849,642	.71	
216,831,353	59.87		75,082,583	20.73		35,992,719	9.94		6,201,603	7.24		3,495,226	.96		3,798,518	1.05	
109,603,619	46.75		83,912,382	35.80		22,930,809	9.79		11,248,583	4.79		3,572,343	1.52		3,166,431	1.35	
249,540,283	53.98		126,544,611	27.42		43,596,045	9.41		31,413,378	6.78		1,423,212	.31		9,860,058	2.10	
287,201,034	51.85		132,035,363	23.84		74,247,631	13.40		45,220,249	8.16		4,982,781	.90		10,219,095	1.85	
370,821,782	55.52		130,077,225	19.47		82,136,922	12.30		67,008,793	10.02		14,130,604	2.13		3,789,420	.56	
318,732,328	55.19		117,450,701	20.34		65,289,956	11.31		52,200,475	9.04		19,470,646	3.37		4,382,223	.75	
357,538,465	56.27		125,431,516	19.74		65,875,425	10.37		68,088,821	10.71		13,665,067	2.15		4,836,842	.76	
390,728,002	56.43		130,790,843	18.90		79,764,191	11.52		e 63,212,870	9.14		22,948,024	3.31		4,875,838	.70	
407,051,875	56.22		139,818,918	19.30		84,356,398	11.65		61,691,675	8.52		26,472,885	3.66		4,565,363	.65	
403,421,058	54.14		150,865,817	20.25		92,135,052	12.36		63,600,391	8.55		29,604,059	3.96		5,505,275	.74	
449,987,266	57.14		148,368,706	18.84		90,006,144	11.43		67,506,833	8.57		28,356,568	3.60		3,321,477	.42	
459,305,372	54.46		163,226,079	19.35		118,736,668	14.08		72,272,222	8.57		25,621,134	3.04		4,207,146	.50	
391,628,469	47.47		174,054,181	21.04		150,727,759	18.27		80,138,251	9.77		23,133,062	2.80		5,318,052	.65	
458,450,093	52.91		183,732,712	21.21		102,207,815	11.80		87,624,446	10.11		25,997,378	3.00		9,857,032	.97	
295,077,865	45.05		166,962,559	25.49		100,147,107	15.29		66,186,397	10.10		21,457,923	2.38		3,479,338	.79	
383,645,813	52.41		133,915,682	18.29		112,167,120	15.32		77,626,364	10.61		17,450,926	2.39		5,709,169	.98	
418,639,121	53.69		126,877,126	16.27		108,828,462	13.96		89,592,318	11.49		24,614,668	3.16		11,172,979	1.43	
430,192,205	56.26		105,924,053	13.85		107,389,405	14.04		87,294,597	11.41		24,400,439	3.19		9,529,713	1.25	
305,932,691	49.66		91,376,807	14.83		92,091,694	14.95		92,594,593	15.03		26,859,230	4.36		7,193,639	1.17	
353,884,534	50.76		112,150,911	16.09		86,587,893	12.42		107,091,214	15.36		26,997,877	3.87		10,436,060	1.50	
440,567,314	51.84		130,035,221	15.30		93,666,774	11.02		139,842,330	16.45		34,611,108	4.07		11,218,437	1.32	
429,620,452	52.19		145,158,104	17.63		110,367,342	13.41		117,677,611	14.30		11,395,195	1.38		8,953,461	1.09	
475,161,941	52.60		151,076,524	16.72		119,785,756	13.26		129,682,651	14.36		14,166,461	1.57		13,447,615	1.49	
547,226,887	53.35		189,736,475	18.49		107,428,323	10.48		147,702,174	14.40		21,048,527	2.05		12,581,651	1.23	

a Hawaiian Islands not included after 1900.

b From 1870 to 1878 specie is included in totals, but excluded

c Includes "All other countries."

d Includes "All other Spanish possessions."

e Includes "All other countries in Asia and Oceania."



*Merchandise imported into, exported from, and retained for consumption in the United States, 1871 to 1903.*

[From the Statistical Abstract.]

Year.	Imports, per capita.		Exports of domestic merchandise.			Retained for consumption, per capita.			
	Merchandise imported for consumption, per capita.	Duty collected, per capita.	Exports, per capita.	Exports of agricultural products, per cent of total exports.	Exports of manufactures, per cent of total exports.	Raw cotton.	Wheat and wheat flour.	Raw wool.	
								Total per capita.	Foreign.
				P. cent.	P. cent.	Lbs.	Bush.	Lbs.	P. cent.
1871.....	\$12.65	\$5.12	\$10.83	70.74	.....	14.10	4.69	5.73	29.4
1872.....	13.80	5.23	10.65	74.13	.....	11.10	4.79	6.75	45.3
1873.....	15.91	4.44	12.12	76.10	.....	15.19	4.81	5.67	33.2
1874.....	13.26	3.75	13.31	79.37	.....	13.60	4.46	4.81	17.5
1875.....	11.97	3.51	11.86	76.95	16.57	11.90	5.38	5.28	22.1
1876.....	10.29	3.22	11.64	71.67	17.08	14.77	4.89	5.21	18.3
1877.....	9.49	2.77	12.72	72.63	21.61	14.03	5.01	5.16	16.3
1878.....	9.21	2.67	14.30	77.07	17.79	13.71	5.72	5.28	16.9
1879.....	8.99	2.73	14.29	78.12	16.72	15.90	5.58	5.03	14.2
1880.....	12.51	3.64	16.43	83.25	12.48	18.94	5.35	6.11	34.9
1881.....	12.68	3.78	17.23	82.63	12.92	19.61	6.09	5.66	17.3
1882.....	13.64	4.12	13.97	75.31	18.38	16.15	4.98	6.36	19
1883.....	13.05	3.92	14.98	77.00	16.69	20.80	6.64	6.62	18.7
1884.....	12.16	3.47	13.20	73.98	18.81	16.30	5.64	6.85	20.6
1885*.....	10.32	3.17	12.94	72.96	20.25	15.16	6.77	6.69	18.0
1886*.....	10.89	3.30	11.60	72.82	20.50	19.59	4.57	7.39	28.9
1887*.....	11.65	3.65	11.98	74.40	19.45	16.84	5.17	6.68	27.4
1888*.....	11.88	3.60	11.40	73.23	19.05	19.69	5.62	6.31	28.9
1889.....	12.10	3.60	11.92	72.87	18.99	17.22	5.34	6.33	31.8
1890.....	12.35	3.62	13.50	74.51	17.87	18.50	6.09	6.03	27.0
1891.....	13.38	3.40	13.63	73.69	19.37	22.88	4.59	6.44	30.8
1892.....	12.50	2.68	15.61	78.69	15.61	24.58	5.94	6.75	33.1
1893*.....	12.73	3.00	12.98	74.05	19.02	17.84	4.89	7.10	35.7
1894†.....	9.41	1.92	12.85	72.28	31.14	16.45	3.44	5.13	14.2
1895†.....	10.61	2.17	11.51	69.73	23.14	22.75	4.59	7.39	40.0
1896†.....	10.81	2.23	12.29	66.02	26.48	18.67	4.85	6.98	45.9
1897†.....	11.02	2.41	14.42	66.23	26.87	18.77	3.95	8.40	57.8
1898.....	8.05	1.99	16.59	70.54	24.02	25.76	4.29	5.44	32.8
1899.....	9.22	2.72	16.29	65.19	28.21	27.87	6.09	4.53	19.2
1900.....	10.88	3.01	17.96	60.98	31.65	22.57	4.74	5.72	34.4
1901.....	10.58	3.06	18.81	64.62	28.14	25.94	3.95	5.18	24.9
1902.....	11.39	3.17	17.16	62.83	29.77	25.65	6.50	6.07	34.1
1903.....	12.54	3.49	17.32	62.73	29.28	24.64	5.81	5.74	37.8

\* Democratic President, but Republican control of one branch of Congress.

† Democratic President and low tariff.

*Total Values of Imports Entered for Consumption and Duties Collected Thereon from 1876 to 1903.*

[From Statistical Abstract.]

Year ending June 30—	Total.	Per cent of free.	Amounts of duty collected.	Average ad valorem rates of duty on—		Duty collected per capita.	Imports per capita.
				Dutiable.	Free and dutiable.		
	Dollars.		Dollars.	Per cent	Per cent	Dollars.	Dollars.
1877.....	439,829,389	32.02	128,428,343	42.89	26.68	2.77	9.49
1878.....	438,422,468	32.24	127,195,159	42.75	27.13	2.67	9.21
1879.....	439,292,374	32.45	133,395,436	44.87	28.97	2.73	8.99
1880.....	627,555,271	33.15	182,747,654	43.48	29.07	3.64	12.51
1881.....	650,618,999	31.13	193,800,880	43.20	29.75	3.78	12.68
1882.....	716,213,948	29.42	216,138,916	42.66	30.11	4.12	13.46
1883.....	700,829,673	29.52	210,637,293	42.45	29.92	3.92	13.05
1884.....	667,575,389	31.15	190,282,836	41.61	28.44	3.47	12.16
1885.....	579,580,054	33.28	178,151,601	45.86	30.59	3.17	10.32
1886.....	625,308,814	33.83	189,410,448	45.55	30.13	3.30	10.89
1887.....	683,418,981	34.11	214,222,310	47.10	31.02	3.67	11.65
1888.....	712,248,626	34.27	216,042,256	45.63	29.99	3.60	11.88
1889.....	741,431,398	34.61	220,576,989	45.13	29.50	3.62	12.10
1890.....	773,674,812	34.39	226,540,037	44.41	29.12	3.62	12.35
1891.....	854,519,577	45.41	216,885,701	46.28	25.25	3.40	13.38
1892.....	813,601,345	56.30	174,124,270	48.71	21.26	2.68	12.50
1893.....	844,454,583	52.60	199,143,678	49.58	23.49	3.00	12.73
1894.....	636,614,420	59.53	129,558,892	50.06	20.25	1.92	9.41
1895.....	731,162,090	51.55	149,450,608	41.75	20.23	2.17	10.46
1896.....	759,694,084	48.56	157,013,506	39.95	20.67	2.23	10.81
1897.....	789,251,030	48.39	172,760,361	42.17	21.89	2.41	11.02
1898.....	587,153,700	49.65	145,438,385	48.80	24.77	1.99	8.05
1899.....	685,441,892	43.72	202,072,050	52.07	29.48	2.72	9.22
1900.....	830,519,252	44.16	229,360,771	49.24	27.62	3.01	10.88
1901.....	807,763,301	41.98	233,556,110	49.64	28.91	3.06	10.58
1902.....	899,793,754	44.01	251,453,155	49.78	27.95	3.17	11.39
1903.....	1,007,960,110	43.38	280,762,197	49.03	27.85	3.49	12.54

*Receipts and expenditures of the United States.*

Fiscal years.	Net ordinary receipts.	Net ordinary expenditures.	Excess of receipts.	Excess of expenditures.
1790.....	\$4,409,951	\$3,097,452	\$1,312,498	.....
1800.....	10,848,749	10,813,971	34,778	.....
1810.....	9,384,214	8,474,753	909,461	.....
1820.....	17,840,670	18,285,535	.....	\$444,865
1824.....	19,381,213	20,273,703	.....	892,490
1825.....	21,840,858	15,857,217	5,983,641	.....
1826.....	25,260,434	17,037,859	8,222,575	.....
1827.....	22,966,364	16,139,167	6,827,197	.....
1828.....	24,763,929	16,394,842	8,369,087	.....
1829.....	24,827,627	15,184,054	9,643,573	.....
1830.....	24,844,117	15,142,108	9,702,009	.....
1831.....	28,526,821	15,237,817	13,289,004	.....
1832.....	31,867,451	17,288,950	14,578,501	.....
1833.....	33,948,426	23,017,552	10,930,874	.....
1834.....	21,791,936	18,627,570	3,164,366	.....
1835.....	35,430,087	17,572,813	17,857,274	.....
1836.....	50,826,796	30,868,164	19,958,632	.....
1837.....	24,954,153	37,243,214	.....	12,289,061
1838.....	26,302,562	33,864,715	.....	7,562,153
1839.....	31,482,750	26,896,783	4,585,967	.....
1840.....	19,480,115	24,314,518	.....	4,834,403
1841.....	16,860,160	26,481,818	.....	9,621,658
1842.....	19,976,197	25,134,886	.....	5,158,689
1843.....	8,231,001	11,780,093	.....	3,549,092
1844.....	29,320,708	22,483,560	6,837,148	.....
1845.....	29,970,106	22,935,828	7,034,278	.....
1846.....	29,699,968	27,261,183	2,438,785	.....
1847.....	26,467,403	54,920,784	.....	28,453,381
1848.....	35,698,699	47,618,221	.....	11,919,522
1849.....	30,721,078	43,499,078	.....	12,778,000
1850.....	43,592,889	40,948,383	2,644,506	.....
1851.....	52,555,039	47,751,478	4,803,561	.....
1852.....	49,846,816	44,390,252	5,456,564	.....
1853.....	61,587,032	47,743,989	13,843,043	.....
1854.....	73,800,341	55,038,455	18,761,886	.....
1855.....	65,350,575	58,630,663	6,719,912	.....
1856.....	74,056,699	68,726,350	5,330,349	.....
1857.....	68,965,313	67,634,409	1,330,904	.....
1858.....	46,665,366	73,982,493	.....	27,327,127
1859.....	52,777,108	68,993,600	.....	16,216,492
1860.....	56,054,600	63,875,876	.....	7,821,276
1861.....	41,476,299	66,650,213	.....	25,173,914
1862.....	51,919,261	469,570,242	.....	417,650,981
1863.....	112,094,946	718,734,276	.....	606,639,330
1864.....	243,412,971	864,969,101	.....	621,556,130
1865.....	322,031,158	1,295,099,290	.....	973,068,132
1866.....	519,949,564	519,022,356	927,208	.....
1867.....	462,846,680	346,729,326	116,117,354	.....
1868.....	376,434,454	370,339,134	6,095,320	.....
1869.....	357,188,256	321,190,598	35,997,658	.....
1870.....	395,959,834	293,657,005	102,302,829	.....
1871.....	374,431,105	283,160,394	91,270,711	.....
1872.....	364,694,230	270,559,696	94,134,534	.....
1873.....	322,177,674	285,239,325	36,938,349	.....
1874.....	299,941,091	301,238,800	.....	1,297,709
1875.....	284,020,771	274,623,393	9,397,378	.....
1876.....	290,066,585	265,101,085	24,965,500	.....
1877.....	281,000,642	241,334,475	39,666,167	.....
1878.....	257,446,776	236,964,327	20,482,449	.....
1879.....	272,322,137	266,947,884	5,374,253	.....
1880.....	333,526,501	264,847,637	68,678,864	.....
1881.....	360,782,293	259,651,639	101,130,654	.....
1882.....	403,525,250	257,981,440	145,543,810	.....
1883.....	398,287,582	265,408,138	132,879,444	.....
1884.....	348,519,870	244,126,244	104,393,626	.....
1885.....	323,690,706	260,226,931	63,463,775	.....
1886.....	336,439,727	242,483,139	93,956,588	.....
1887.....	371,403,278	267,932,180	103,471,098	.....
1888.....	379,266,075	259,653,959	119,612,116	.....
1889.....	387,050,059	281,996,616	105,053,443	.....
1890.....	403,080,983	297,736,487	105,344,496	.....
1891.....	392,612,447	355,372,685	37,239,762	.....
1892.....	354,937,784	345,023,331	9,914,453	.....
1893.....	385,819,629	383,477,954	2,341,675	.....
1894.....	297,722,019	367,525,280	.....	69,803,261
1895.....	313,390,075	356,195,298	.....	42,805,223
1896.....	326,976,200	352,179,446	.....	25,203,246
1897.....	347,721,705	365,774,160	.....	18,052,455
1898.....	405,321,336	443,368,583	.....	38,047,247
1899.....	515,960,620	605,072,180	.....	89,111,560
1900.....	567,240,851	487,713,791	79,527,060	.....
1901.....	587,685,337	509,967,353	77,717,984	.....
1902.....	562,478,233	471,190,858	91,287,375	.....
1903.....	558,887,526	506,272,073	52,615,453	.....
Total.....	*\$17,096,217,866	\$17,864,398,913	.....	\$768,181,047

Note.—Does not include receipts from loans or payments on principal of public debt. Fiscal year ended September 30 prior to 1843; since that date ended June 30. Footings include the figures of omitted years prior to 1810, and are totals of all years from 1790 to 1903.

Year ended.	Total interest bearing debt.	Annual interest charge.	Debt on which interest has ceased.	Debt bearing no interest.*	Outstanding principal.	Cash in the Treasury.	Principal of debt less cash in Treasury.	Population of the United States.	Debt per capita.	Interest per capita.
1865—Aug. 31.....	\$2 381,530,294	\$150,977,697	\$1,503,020	\$461,616,311	\$2,844,649,626	\$88,218,055	\$2,756,431,571	35,228,000	\$78.25	\$4.29
1870—July 1.....	2,046,455,722	118,784,960	3,708,641	430,508,064	2,480,672,427	149,502,471	2,331,169,956	38,558,371	60.46	3.08
1871.....	1,934,696,750	111,949,330	1,948,902	416,565,068	2,553,211,332	106,217,263	2,446,994,068	39,555,000	56.81	2.83
1872.....	1,814,794,100	103,988,463	7,926,797	430,530,431	2,253,251,328	103,470,798	2,149,780,530	40,596,000	52.96	2.56
1873.....	1,710,483,950	98,049,804	51,929,710	472,089,332	2,234,482,993	129,020,932	2,105,462,068	41,677,000	50.32	2.35
1874.....	1,738,930,750	98,796,004	3,216,590	509,543,128	2,231,690,468	147,541,314	2,104,149,153	42,796,000	49.17	2.31
1875.....	1,722,676,300	96,855,690	11,432,820	498,182,411	2,232,284,531	142,243,361	2,090,041,170	43,951,000	47.53	2.20
1876.....	1,610,685,450	93,104,269	3,902,420	465,807,196	2,180,395,067	119,469,726	2,060,925,340	45,137,000	45.66	2.11
1877.....	1,711,888,500	93,160,643	16,648,860	476,764,031	2,205,301,392	186,025,960	2,019,275,431	46,353,000	43.56	2.01
1878.....	1,794,735,650	94,554,472	5,594,562	455,875,682	2,256,205,892	256,823,612	1,999,382,280	47,598,000	42.01	1.99
1879.....	1,797,643,700	93,773,778	37,015,630	410,835,741	2,245,495,072	249,080,167	1,996,414,905	48,866,000	40.85	1.71
1880.....	1,723,993,100	79,638,981	7,621,455	388,800,815	2,120,415,370	201,088,622	1,919,326,747	50,155,783	38.27	1.59
1881.....	1,639,567,750	75,018,695	6,723,865	422,721,954	2,069,013,569	243,289,519	1,819,650,154	51,316,000	35.46	1.46
1882.....	1,463,810,400	57,360,110	16,260,805	438,241,788	1,918,312,994	243,389,902	1,675,023,474	52,495,000	31.91	1.09
1883.....	1,338,229,150	71,436,709	7,831,415	538,111,162	1,884,171,728	345,389,902	1,538,781,825	53,693,000	28.66	.96
1884.....	1,338,229,150	49,926,432	19,656,205	584,308,868	1,830,528,923	391,985,928	1,438,542,995	54,911,000	26.20	.87
1885.....	1,226,863,850	47,014,133	4,100,995	663,712,927	1,863,964,873	488,612,429	1,375,352,443	56,148,000	24.50	.84
1886.....	1,196,150,950	47,014,133	9,704,445	619,344,468	1,775,063,013	482,917,173	1,282,145,840	57,404,000	22.34	.79
1887.....	1,021,692,350	41,780,529	6,115,165	629,795,077	1,657,602,592	482,433,917	1,175,168,675	58,680,000	20.03	.71
1888.....	950,522,500	38,991,935	2,496,095	739,840,389	1,692,858,984	629,854,089	1,063,004,894	59,974,000	17.72	.65
1889.....	829,853,990	33,752,354	1,911,485	787,287,416	1,619,052,922	643,113,172	975,939,750	61,289,000	15.92	.53
1890.....	725,313,110	29,417,603	1,815,805	825,011,289	1,552,140,204	661,355,834	890,784,370	62,022,250	14.32	.47
1891.....	610,529,120	23,615,735	1,614,705	933,852,766	1,545,996,591	694,083,839	851,912,751	64,002,000	13.32	.37
1892.....	585,029,330	22,893,883	2,785,875	1,000,648,939	1,588,464,144	716,937,681	841,526,463	65,403,000	12.86	.35
1893.....	585,037,100	22,894,194	2,094,060	958,854,525	1,545,985,686	707,016,210	838,969,475	66,826,000	12.55	.34
1894.....	635,041,890	25,394,355	1,831,240	995,360,506	1,632,253,636	732,940,256	899,313,380	68,275,000	13.17	.37
1895†.....	29,140,792	29,140,792	1,721,590	958,197,332	1,676,120,983	774,448,016	901,672,966	69,753,000	12.93	.42
1896†.....	34,857,265	34,857,265	1,636,890	920,839,543	1,769,940,323	814,543,669	955,397,253	71,263,000	13.41	.48
1897.....	843,365,139	34,857,315	1,346,880	968,960,655	1,817,672,666	831,016,379	986,656,086	72,807,000	13.55	.47
1898.....	847,367,470	34,387,408	1,262,680	947,901,845	1,796,531,995	769,446,503	1,027,085,492	74,889,000	13.81	.46
1899.....	1,046,048,750	40,347,872	1,218,300	944,660,256	1,991,927,306	836,607,071	1,155,320,235	76,011,000	15.20	.53
1900.....	1,023,478,860	33,545,130	1,176,320	1,112,305,911	2,136,961,092	1,029,249,834	1,107,711,258	77,816,000	14.24	.52
1901.....	987,141,040	29,789,153	1,415,620	1,154,770,274	2,143,326,934	1,098,587,814	1,044,739,120	77,754,000	13.44	.38
1902.....	931,070,340	27,542,946	1,280,860	1,226,259,246	2,158,610,446	1,189,153,205	969,457,241	79,117,000	12.47	.35
1903.....	914,541,410	25,541,573	1,205,090	1,286,718,282	2,202,464,782	1,277,453,145	925,011,637	80,487,000	11.49	.29
1904.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

\*The column of "Debt bearing no interest" includes certificates issued against gold, silver and currency deposited in the Treasury.  
†Democratic and low-tariff years.



## AGRICULTURAL PROSPERITY UNDER REPUBLICAN ADMINISTRATION, DEPRESSION UNDER DEMOCRATIC RULE.

The farmers of the country create most of its wealth and send abroad 63 per cent. of our exports in addition to producing much of the material from which manufactures are made that are used at home and abroad. The Republican administration has greatly developed agricultural investigation in the last seven years, until scientific inquiry is being made in all our States and Territories and in the isles of the sea under our flag, to the end we may produce the necessities of life for ourselves and those for whom we are responsible. The power of the man and the acre to produce is being increased all over the land; new grains, grasses, legumes, fruits, fibers and vegetables are being imported from foreign countries into continental United States and into our island possessions in order to diversify crops and bring into productiveness sections of our country that have heretofore been barren. The weather, the animals, the plants, the forests, the soils, our roads, our foods, our insect friends and enemies are being studied from the farmer's standpoint by 2,000 scientists in the Department of Agriculture, which has grown in helpfulness every day since 1896.

The farm value of the wheat, corn, and oat crops in 1903 was *nearly double* that of 1896, the last year of the Cleveland administration. This is rather a startling statement, but it is borne out by the Statistical Abstract, published by the Government and made up from the official figures which have no partisan bias.

For the year 1896 the farm value of corn was \$491,006,967, that of the wheat crop \$310,602,539, and that of the oat crop \$132,485,033, the total farm value of the three crops for that year being \$934,094,538.

The farm value of the corn crop in 1900 was \$751,220,034, that of the wheat crop \$323,515,177, and that of the oat crop \$208,669,233, making the total farm value of the three crops in 1900 \$1,283,404,444, or \$349,309,905 more than the farm value of the same crops in 1896. In 1903 the farm value of the corn crop was \$952,868,801, that of the wheat crop \$443,024,826, and that of the oat crop \$267,661,665, a total farm value of the three crops in 1903 of \$1,663,555,292, or \$380,150,848 more than the farm value of the same crops in 1900, and \$729,460,753 more than their farm value in 1896.

### Increase in Farm Values.

This increase of farm value under Republican administrations is not accidental. It is a matter of history that rural prosperity and Republican rule are coincident, it is equally a matter of record that agricultural depression, mortgage foreclosures, and low prices for farm products accompany Democratic administration of national affairs. The prosperity of the farmer depends upon the prosperity of all other industrial elements of our population. When the industrial classes are employed at American wages their consumption of farm products is on a liberal scale, and they are able and willing to pay good prices for the necessities and luxuries of life. Under such conditions there is a good market for all the farmer has to sell. When the reverse is true and the workmen are idle or working scant time at cut wages they are forced to practice pinching economy and the farmer necessarily loses part of his market. The American farmer is prosperous when well paid workmen are carrying well filled dinner pails, a conditions which has accompanied Republican supremacy since the birth of the party. Idle men, tramps, and soup houses, familiar sights under Democratic rule, furnish but poor markets for farm produce.

The records for the last four administrations, which alternated between the Republican and Democratic parties, show that the farmers received more for their crops under Republican administrations than under Democratic administrations.

The farm value of the corn crops for the four years of Cleveland's first administration, from 1885 to 1889, aggregated \$2,569,353,980.

In the four years of the Harrison administration which followed, the farm value of the corn crop aggregated \$2,830,938,138, an increase in value of more than \$250,000,000 over that of this crop during the Cleveland administration.

For the next four years, while Mr. Cleveland was President and Democratic policies were in force, the farm value of the corn crop aggregated \$2,182,337,290, a decrease of \$750,000,000 from that during the Harrison administration.

Then came the Republican administration of William McKinley, and for the first four years of that administration the farm value of the corn crop aggregated \$2,433,526,524, or an increase of \$250,000,000 over that of the last Democratic administration, while in the succeeding three years, 1901-03, it was \$2,391,441,918, or \$457,915,394 more in three years than in the preceding four years.

#### **Wheat and Oats.**

The same law of fluctuation according to political policies in administration held good as to wheat and oats. The farm value of the wheat crop for the four years of the first Cleveland administration aggregated \$1,285,407,400, and for the next four years, including the Harrison administration, the farm value of the wheat crop aggregated \$1,512,859,986, an increase of \$227,000,000 in the farm value of wheat over that for the preceding Democratic administration.

For the next four years, under the second Cleveland administration, the farm value of the wheat crop aggregated \$987,614,943, a shrinkage of \$525,000,000 in the value of the wheat crop from the preceding four years under Republican administration.

Again came a change of policy in government, and during the first four years of the McKinley administration the wheat crop took another advance in value. For these four years of the McKinley administration the farm value of the wheat crop aggregated \$1,464,387,877, an increase in value amounting to nearly \$500,000,000. For the succeeding three years of the Republican administration, 1901-03, the farm value of the wheat crop amounted to \$1,332,599,099, almost as much in three years as in the preceding four years and \$344,984,156 more than in the four years of the second Cleveland administration.

The farm value of the oat crop in the four years of the first Cleveland administration aggregated \$761,943,820; for the next four years, under the Harrison administration, the farm value of the oat crop increased to \$835,395,372; for the next four years, under Cleveland, this crop decreased in value to \$698,533,113, and for the next four years, under McKinley administration, it increased to \$741,217,291.

During the last three years of the Republican administration its aggregate value has been \$864,905,294, or \$123,688,003 more in three years than during the preceding four years of the second Cleveland administration.

The farm value of the hay crop in 1896 was \$388,145,614, in 1900 it was \$445,538,870, and in 1903 it was \$556,376,880.

The farm value of the potato crop in 1896 was \$72,182,350, in 1900 it was \$90,811,167, and in 1903 it was \$151,638,094.

#### **Farm Animals.**

During the seven years of Republican administration the farm animals of the country have increased in value from \$1,655,414,12 on January 1, 1897, to \$2,998,247,479 on January 1, 1904.

The number of horses has increased from 14,364,667 to 16,36,059, and their value from \$452,649,396 to \$1,136,940,298.

The number of mules has increased from 2,215,654 to 2,757,916, and their value from \$92,302,090 to \$217,532,832.

The number of milch cows has increased from 15,941,727 to 17,419,817, and their value from \$369,239,993 to \$508,841,489.

The number of cattle, other than milch cows, has increased from 30,508,408 to 43,629,498, and their value from \$507,929,421 to \$712,178,134.

The number of sheep has increased from 36,818,643 to 51,630,144, and their value from \$67,020,942 to \$133,530,099.

The number of swine has increased from 40,600,276 to 47,009,367, and their value from \$166,272,770 to \$289,224,627.

On January 1 of the present year there were 116 horses, 124 mules, 109 milch cows, 143 other cattle, 116 swine, and 140 sheep for every hundred of each kind seven years ago.

It will readily be perceived from the foregoing figures that the increase in total value is far more than proportional to the increase in number. The total value of sheep, for example, is almost double, that of mules considerably more than double, and that of horses more than two and one-half times as great as it was when the Republicans took hold of the administration of the country seven years ago.

The "man with the hoe" has only to look at the record to see which way points to prosperity.

#### **Increase of Farm Values.**

The value of the live stock on the farms of the country, which was reported by the Agricultural Department in 1896 at \$1,727,926,084, was reported at \$2,228,123,134 in 1900, an increase of \$500,197,050, and in 1904 at \$2,998,247,479, a further increase of \$770,124,345, making a total increase in eight years of \$1,270,321,395.

With the increased activity, increased earnings, and increased consumption the farmer has received greatly increased prices for his productions.

The Agricultural Department reports an increase of \$353,047,657 in the farm value of the cereals alone in 1900, as compared with 1896, and a further increase of \$423,249,664 in 1903, as compared with 1896, making a total increase of \$776,297,321, these figures being those of the actual value upon the farm before leaving the hands of the producer, while other articles of farm production show an equal advance in value.

The exportation of agricultural products increased from \$574,398,264 in 1896 to \$844,616,530 in 1900, and to \$873,285,142 in 1903, a total increase of \$298,886,878 in the mere surplus remaining after supplying the great and rapidly expanding home market.

#### **Exports of Agricultural Products Under the McKinley, Wilson and Dingley Tariffs, Respectively.**

This table shows the exports of leading agricultural products under the McKinley, Wilson, and Dingley tariffs, respectively, in the fiscal years 1894, 1895, 1899, and 1903. The year 1894 was the last under the McKinley tariff, that of 1895 the first year under the Wilson tariff. (The fiscal year ends June 30, and the Wilson law went into effect in August, 1894.) It will be seen that there was a reduction in the exports of practically all classes of agricultural products under the Wilson law. Under the Dingley law there has been a large increase in the exportation of practically all articles. These stubborn facts are a remarkable commentary upon the Democratic assertion that the protective tariff hampers our sales abroad.

Tables of the exports of manufactures presented on another page show also that the exportation of manufactures increased very greatly under the Dingley tariff, as compared with the Wilson law. The average exportation of manufactures during the three years of the Wilson law was 240 million dollars per annum and during the last four years of the Dingley law has been over 400 millions per annum.

A table presented on another page also shows that the total exportation during the 57 years of low tariff was actually 514 million dollars less than the imports of those years, while in the 57 years of protective tariff the exports exceeded the imports by 4,099 millions.

These facts seem to fully refute the assertion that protection destroys or reduces the export trade or the opportunities in foreign markets.



*Exports of farm products from the United States under three tariffs.*

[Compiled from reports of Bureau of Statistics.]

	McKinley law, fiscal year 1894.	Wilson law, calendar year 1895.	Dingley law, fiscal year 1899.	Dingley law, 1903.
Cotton.....	\$210,869,298	\$189,890,645	\$210,089,576	\$317,065,271
Breadstuffs (all).....	166,774,558	125,266,871	273,999,699	221,242,285
Provisions (all).....	145,262,273	132,456,827	175,508,608	179,839,714
Flour.....	69,271,760	50,292,886	73,093,810	73,756,404
Wheat.....	59,470,041	40,898,547	104,269,169	87,795,104
Lard.....	40,089,721	37,348,753	42,208,465	50,854,504
Bacon.....	38,338,357	37,411,944	41,557,067	22,178,525
Animals (all).....	35,698,180	33,791,114	37,880,916	34,781,193
Cattle.....	33,455,092	26,997,701	30,516,833	29,848,936
Corn.....	30,211,154	27,907,766	68,977,448	40,540,637
Beef.....	25,673,699	25,741,709	29,720,258	36,847,106
Oil cake.....	8,807,256	7,851,246	14,548,765	19,839,279
Seeds.....	7,942,221	1,983,894	5,079,396	9,455,283
Cheese.....	7,180,331	3,401,117	3,316,049	2,250,229
Pork.....	5,159,868	4,430,155	10,639,727	13,364,940
Clover seed.....	4,540,851	1,126,618	1,264,922	1,549,687
Hides.....	3,972,494	2,835,947	929,117	1,224,401
Hops.....	3,844,232	1,745,945	3,626,144	1,909,952
Tallow.....	2,766,164	1,207,350	4,367,356	1,623,852
Flaxseed.....	2,426,284	31,076	2,815,449	5,698,494
Barley.....	2,379,714	1,485,038	1,375,274	4,662,541
Sugar and molasses....	1,717,663	1,300,993	2,350,718	2,569,248
Oats.....	2,027,934	599,835	9,787,540	1,850,728
Vegetables.....	1,744,462	1,557,483	2,799,400	2,543,483
Hay.....	890,654	701,346	858,992	828,483
Broom corn.....	210,742	179,856	185,902	211,250
Rye.....	126,532	724	5,936,078	3,143,913
Tobacco, unmf'g'd.....	24,087,934	24,707,563	25,467,218	35,256,899
Fruits and nuts.....	2,424,239	5,450,878	7,897,485	18,057,677
Cotton seed oil.....	6,008,405	6,429,828	12,077,519	14,211,244

*Value of principal farm crops in the United States, December 1, 1866 to 1903.*

[From reports of the Department of Agriculture.]

Calendar year.	Corn.	Wheat.	Oats.	Rye.	Barley.
1866.....	\$411,450,830	\$232,109,630	\$94,057,945	\$17,149,716	\$7,916,342
1867.....	437,769,763	308,387,146	123,902,556	23,280,584	18,027,746
1868.....	424,056,649	243,032,746	106,355,976	21,349,190	24,948,127
1869.....	522,550,509	199,024,996	109,521,734	17,341,861	20,298,164
1870.....	540,520,456	222,766,969	96,443,637	11,326,967	20,792,213
1871.....	430,355,910	264,075,851	92,591,359	10,927,623	20,264,015
1872.....	385,736,210	278,522,068	81,303,518	10,071,061	18,415,839
1873.....	411,961,151	300,669,533	93,474,161	10,638,258	27,794,229
1874.....	496,271,255	265,881,167	113,133,934	11,610,339	27,997,824
1875.....	484,674,804	261,396,926	113,441,491	11,894,223	27,367,522
1876.....	456,108,521	278,697,238	103,844,896	12,504,970	24,402,691
1877.....	467,635,230	385,089,444	115,546,194	12,201,759	21,629,130
1878.....	440,280,517	325,814,119	101,752,468	13,566,002	24,454,301
1879.....	580,486,217	497,030,142	120,533,294	15,507,431	23,714,444
1880.....	679,714,499	474,201,850	150,243,565	18,564,560	30,090,742
1881.....	759,482,170	456,880,427	193,198,970	19,327,415	33,862,513
1882.....	783,867,175	445,602,125	182,978,022	18,439,194	30,768,015
1883.....	658,051,485	383,649,272	187,040,264	16,300,503	29,420,423
1884.....	640,735,560	330,862,260	161,528,470	14,857,040	29,779,170
1885.....	635,674,630	275,320,390	179,631,860	12,594,820	32,867,696
1886.....	610,311,000	314,226,020	186,137,930	13,181,330	31,840,510
1887.....	646,106,700	310,612,960	200,699,790	11,283,140	29,464,390
1888.....	677,561,580	385,248,030	195,424,240	16,721,869	37,672,032
1889.....	597,918,829	342,491,707	171,781,008	12,009,752	32,614,271
1890.....	754,433,451	334,773,678	222,048,486	16,229,992	42,140,502
1891.....	836,439,228	513,472,711	232,312,267	24,589,217	45,470,342
1892.....	642,146,630	322,111,881	209,253,611	15,160,056	38,026,062
1893*.....	591,625,627	213,171,381	187,576,092	13,612,222	28,729,386
1894*.....	554,719,162	225,902,025	214,816,920	13,395,476	27,134,127
1895*.....	544,985,534	237,938,998	163,655,068	11,964,826	29,312,413
1896*.....	491,006,967	310,602,539	132,485,033	9,960,769	22,491,241
1897.....	501,072,952	428,547,121	147,974,719	12,239,647	25,142,139
1898.....	552,023,428	392,770,320	186,405,364	11,875,350	23,064,359
1899.....	629,210,110	319,545,259	198,167,975	12,214,118	29,594,254
1900.....	751,220,034	323,515,177	208,669,233	12,295,417	24,075,271
1901.....	921,555,768	467,350,156	293,658,777	16,909,742	49,705,163
1902.....	1,017,017,349	422,224,117	303,584,852	17,080,793	61,898,634
1903.....	952,868,801	443,024,826	267,661,665	15,993,871	60,166,313

\*Democratic and low-tariff years.

*Number and value of farm animals from 1875 to 1904.*

[From the annual reports of the Department of Agriculture.]

January 1—	Horses.		Mules.		Milch cows.		Oxen and other cattle.		Sheep.		Swine.		Total value farm animals.
	Number.	Value.	Number.	Value.	Number.	Value.	Number.	Value.	Number.	Value.	Number.	Value.	
1875.....	9,504,200	\$646,370,939	1,393,750	\$111,502,713	10,906,800	\$311,089,824	16,313,400	\$304,858,859	33,783,600	\$94,320,652	28,062,200	\$149,869,234	\$1,618,012,221
1876.....	9,735,300	632,446,985	1,414,500	106,565,114	11,085,400	320,346,728	16,785,300	319,623,509	35,935,300	93,666,318	25,726,800	175,070,484	1,647,719,138
1877.....	10,155,400	610,206,631	1,443,500	99,480,976	11,260,800	307,743,211	17,956,100	307,105,386	35,804,200	80,892,683	28,077,100	171,077,196	1,576,506,083
1878.....	10,329,700	600,813,681	1,637,500	104,323,939	11,300,100	298,499,866	19,223,300	329,541,703	35,740,500	80,603,062	32,262,500	160,838,532	1,574,620,783
1879.....	10,938,700	573,254,808	1,713,100	96,033,971	11,826,400	256,953,928	21,408,100	329,543,327	38,123,800	79,023,984	34,766,100	110,613,044	1,445,423,062
1880.....	11,201,800	613,296,611	1,729,500	105,948,319	12,027,000	279,899,420	21,231,000	341,761,154	40,765,900	90,230,537	36,247,683	145,781,515	1,576,917,556
1881.....	11,429,626	667,954,325	1,720,731	120,096,164	12,368,653	296,277,060	20,938,710	362,861,509	43,569,899	104,070,759	36,247,683	170,535,435	1,721,795,252
1882.....	10,521,554	615,824,914	1,835,169	130,945,378	12,611,632	326,489,310	23,280,238	463,069,501	45,016,224	106,395,954	44,122,200	263,543,195	1,906,468,252
1883.....	10,838,110	765,041,308	1,871,079	148,732,390	12,125,685	396,575,405	28,046,077	611,549,109	49,237,291	124,066,335	43,270,086	291,951,221	2,338,215,768
1884.....	11,169,683	833,734,400	1,914,126	161,214,976	13,501,206	423,486,649	29,046,101	683,229,054	50,626,626	119,902,706	44,200,893	246,301,139	2,467,868,924
1885.....	11,564,572	852,282,947	1,972,569	162,497,097	13,904,722	412,903,093	26,866,573	694,382,913	50,360,243	107,960,650	45,142,657	226,401,683	2,456,428,383
1886.....	12,077,657	860,823,208	2,052,593	163,381,096	14,235,388	389,985,523	31,275,242	661,956,274	48,322,331	92,443,867	46,092,043	196,569,894	2,365,159,862
1887.....	12,496,744	901,685,755	2,117,141	167,057,538	14,532,083	378,789,589	33,511,750	663,137,926	44,759,314	89,872,839	44,612,836	200,043,291	2,400,586,938
1888.....	13,172,936	946,096,154	2,191,727	174,853,563	14,856,414	366,252,173	34,378,363	611,750,530	44,544,755	89,279,926	44,346,525	220,811,082	2,409,043,418
1889.....	13,663,294	982,194,827	2,257,574	179,444,481	15,298,625	366,226,376	35,032,417	597,226,812	42,599,072	90,640,369	50,301,592	291,307,193	2,507,050,058
1890.....	14,213,837	978,516,562	2,331,027	182,394,099	15,932,883	353,152,133	36,819,072	560,625,137	44,336,079	100,659,761	51,602,780	243,418,336	2,418,766,028
1891.....	14,056,750	941,823,222	2,296,532	178,847,370	16,019,591	346,397,900	36,875,648	544,127,908	33,421,136	108,367,447	50,625,106	210,193,923	2,329,787,770
1892.....	15,496,140	1,007,593,636	2,314,699	174,882,070	16,416,351	351,378,132	37,651,239	570,749,155	44,938,365	116,121,290	52,398,019	241,031,415	2,461,755,698
1893*.....	16,206,802	992,225,185	2,331,128	164,673,751	16,424,087	357,299,785	35,954,196	541,882,204	47,273,553	125,909,264	46,094,807	295,426,492	2,483,506,681
1894*.....	16,081,139	769,224,799	2,352,231	146,232,811	16,487,400	358,998,661	36,608,168	536,789,747	45,048,017	89,186,110	45,206,498	270,384,626	2,170,816,754
1895*.....	15,893,318	576,730,580	2,333,108	110,927,834	16,504,629	362,601,729	34,364,216	482,999,129	42,294,064	66,085,767	44,165,716	219,501,267	1,819,446,306
1896*.....	15,124,057	500,140,186	2,278,946	103,204,457	16,137,586	363,955,545	32,085,409	508,928,416	38,298,783	65,167,735	42,842,759	186,529,745	1,727,926,084
1897*.....	14,364,667	452,649,396	2,215,654	92,302,090	15,941,727	369,239,993	30,508,408	507,929,421	36,818,643	67,020,942	40,600,276	166,272,770	1,655,414,612
1898.....	13,960,911	478,362,407	2,190,282	96,109,516	15,840,886	434,813,826	29,264,197	612,296,634	37,656,960	92,721,133	39,759,993	174,351,409	1,888,654,925
1899.....	13,665,307	511,074,813	2,134,213	95,993,261	15,980,115	474,233,925	27,994,225	637,931,135	39,114,453	107,697,530	38,651,631	170,109,743	1,997,010,407
1900.....	13,537,524	603,969,442	2,086,127	111,717,092	16,292,360	514,812,106	27,610,054	689,486,260	41,883,065	122,665,913	37,079,356	185,472,321	2,228,123,134
1901.....	16,744,723	885,200,168	2,864,458	183,232,209	16,833,657	505,093,072	45,500,213	906,644,003	59,756,718	178,072,476	56,982,142	353,012,143	3,011,294,076
1902.....	16,531,224	908,935,178	2,757,017	186,411,704	16,696,802	488,130,324	44,727,797	839,126,073	62,039,091	164,446,091	48,698,890	332,120,780	2,989,170,150
1903.....	16,557,373	1,030,705,959	2,798,088	197,753,327	17,105,227	516,711,914	44,659,206	824,054,902	63,964,876	168,315,750	46,922,624	364,973,688	3,102,515,540
1904.....	16,736,059	1,136,940,298	2,757,916	217,532,832	17,419,817	508,841,489	43,629,498	712,178,134	51,630,144	133,530,099	47,009,367	289,224,627	2,998,247,479

\*Democratic and low tariff years.

**Wheat Production and Consumption in the United States, 1897 to 1903.**

*Quantities of wheat produced in the United States, and of wheat and wheat flour exported, and retained for consumption, 1877 to 1899.*

[From the Statistical Abstract.]

Year ending June 30—	Produc- tion. a	Exports of domestic.	Domestic retained for con- sumption.	Per capita,	Value of crop per acre.	World's production.
			Quantity.			
	Bushels.	Bushels.	Bushels.	Bush.		
1877.....	289,356,500	57,043,936	232,312,564	5.01	\$14.65	Average crop. 1,944,000,000
1878.....	364,196,146	92,071,726	272,154,520	5.72	10.15	
1879.....	420,122,400	150,502,506	269,619,894	5.58	15.27	
1880.....	448,756,630	180,304,180	268,452,450	5.35	12.48	
1881.....	498,549,868	186,321,514	312,228,354	6.09	12.12	
1882.....	383,280,090	121,892,389	261,387,701	4.98	12.02	2,115,000,000
1883.....	504,185,470	147,811,316	356,374,154	6.64	10.52	
1884.....	421,086,160	111,534,182	309,551,978	5.64	8.38	
*1885.....	512,765,000	132,570,366	380,196,634	6.77	8.05	
*1886.....	357,112,000	94,565,793	262,543,207	4.57	8.54	
*1887.....	457,218,000	153,804,969	303,413,031	5.17	8.25	2,434,000,000
*1888.....	456,329,000	119,624,344	336,700,656	5.62	10.32	
1889.....	415,868,000	88,600,742	327,267,258	5.34	8.98	
1890.....	490,560,000	109,430,467	381,129,533	6.09	9.28	
1891.....	399,262,000	106,181,316	293,080,684	4.59	12.86	
1892.....	611,781,000	225,665,812	386,114,188	5.94	8.35	2,639,746,000
*1893.....	515,949,000	191,912,635	324,036,365	4.89	6.16	
*1894.....	396,131,725	164,283,129	231,848,596	3.44	6.48	
*1895.....	460,267,416	144,812,718	315,454,698	4.59	6.99	
*1896.....	467,102,947	126,443,968	340,658,979	4.85	8.97	
*1897.....	427,684,346	145,124,972	282,559,374	3.95	10.86	2,226,745,000
1898.....	530,149,168	217,306,004	312,843,164	4.29	8.92	
1899.....	675,148,705	222,618,420	452,530,285	6.09	7.18	
1900.....	547,303,846	186,096,762	361,207,084	4.74	7.61	
1901.....	522,229,505	215,990,073	306,239,432	3.95	9.37	
1902.....	748,460,218	234,772,515	513,687,703	6.50	9.14	3,103,710,000
1903.....	670,063,008	202,905,598	467,157,410	5.81	8.96	

\*Democratic and low-tariff years.

Wheat flour is reduced to wheat at the rate of 4½ bushels to the barrel.

**Value of Farm Animals Under Harrison, Cleveland, McKinley, and Roosevelt.**

After lands and improvements the greatest item of wealth of the American farmer is his live stock, and the value of such farm stock is a perfect barometer of his financial condition. Practically the highest point ever reached was at the close of 1892, the last year of the Harrison Administration, when the valuation was \$2,483,506,681, the country being prosperous, labor fully employed, and wages good. The lowest point reached in the past 20 years was at the close of 1896, when mills were closed, fires drawn, labor idle, capital in hiding, and business confidence destroyed by four years of Democratic administration. In four years the shrinkage of this form of farm wealth had amounted to 33 per cent, making \$828,091,000 the price which the owners of live stock paid for the Democratic experiment of 1892. In the years of industrial activity which followed the election of McKinley the value of live stock has kept pace upward with the increased earning and spending capacity of American labor, and on January 1, 1900, it had advanced to \$2,288,375,413, or a rise of \$632,960,000, or 38 per cent, from the depths of the depression. The figures in detail, as shown in the official reports of the Department of Agriculture, are as follows:

*Value of live stock.*

	Jan. 1, 1892, Harrison.	Jan. 1, 1897, Cleveland.	Jan. 1, 1900, McKinley.	Jan. 1, 1904, Roosevelt.
Horses.....	\$1,007,593,636	\$452,649,396	\$603,969,042	\$1,136,940,298
Mules.....	174,882,070	92,302,000	111,717,092	217,532,832
Cows.....	351,378,132	369,239,993	514,812,106	508,841,489
Cattle.....	570,749,155	507,929,421	689,487,260	712,178,134
Sheep.....	116,121,290	67,020,942	122,665,913	133,530,099
Hogs.....	241,031,415	166,272,770	245,725,000	289,224,627
Total.....	2,461,755,698	1,655,414,612	2,288,375,413	2,998,247,479



Prices of principal agricultural products on the farm December 1, 1892, to December 1, 1903.—Continued.

[From report of Department of Agriculture.]

*Corn (per bushel).*

States.	1892.	1893.	1894.	1895.	1896.	1897.	1898.	1899.	1900.	1901.	1902.	1903.
	Cts	Cts	Cts	Cts	Cts	Cts	Cts	Cts	Cts	Cts	Cts	Cts
Maine.....	67	62	72	54	47	47	48	50	55	76	74	66
New Hampshire.....	65	57	76	51	45	45	46	49	56	78	73	63
Vermont.....	64	61	69	48	38	43	44	47	50	73	68	62
Massachusetts.....	62	62	61	52	46	47	49	51	54	76	74	66
Rhode Island.....	63	69	75	56	49	54	64	53	67	76	78	81
Connecticut.....	62	64	68	51	42	49	52	50	55	75	74	67
New York.....	60	55	61	45	38	40	43	45	47	72	67	60
New Jersey.....	58	52	54	42	36	38	40	40	45	66	56	57
Pennsylvania.....	57	49	55	39	33	34	40	41	45	62	58	57
Delaware.....	44	40	45	34	25	30	31	34	38	57	49	49
Maryland.....	45	44	50	37	32	30	35	36	41	58	51	51
Virginia.....	53	46	47	37	32	38	35	38	49	59	52	53
North Carolina.....	54	50	47	38	37	43	43	47	57	73	60	61
South Carolina.....	57	65	60	46	46	49	46	50	64	84	69	69
Georgia.....	56	56	58	41	43	48	48	50	57	82	73	69
Florida.....	60	68	71	47	53	55	50	53	60	85	77	73
Alabama.....	52	59	53	37	45	46	41	47	58	77	67	57
Mississippi.....	51	55	49	37	44	45	39	46	58	74	61	54
Louisiana.....	50	57	62	40	45	45	41	44	50	75	66	58
Texas.....	45	54	56	31	41	41	34	36	47	80	66	48
Arkansas.....	47	45	47	32	37	40	29	38	43	81	49	51
Tennessee.....	43	39	39	27	28	36	29	39	49	65	47	49
West Virginia.....	56	55	57	40	34	40	37	45	50	65	54	64
Kentucky.....	40	43	44	27	25	35	27	37	40	61	42	56
Ohio.....	42	40	43	27	21	25	27	30	34	57	42	47
Michigan.....	46	45	50	32	24	27	34	36	37	52	52	46
Indiana.....	40	36	37	23	19	21	25	27	32	55	36	36
Illinois.....	37	31	39	22	18	21	25	26	32	57	36	36
Wisconsin.....	38	35	45	30	22	25	28	30	33	52	50	43
Minnesota.....	37	34	43	20	19	24	24	24	29	45	40	38
Iowa.....	32	27	45	18	14	17	23	23	27	52	33	38
Missouri.....	36	30	40	20	20	24	27	30	32	67	33	34
Kansas.....	31	31	43	19	18	22	26	25	32	63	34	36
Nebraska.....	28	27	50	18	13	17	22	23	31	54	30	28
South Dakota.....	33	25	46	23	18	21	23	26	29	45	41	35
North Dakota.....	40	38	44	24	25	32	36	33	42	46	45	42
Montana.....	70	70	82	75	60	65	66	52	59	90	72	62
Wyoming.....	61	63	65	57	78	50	55	43	60	72	59	58
Colorado.....	40	51	61	41	36	38	40	43	48	74	59	54
New Mexico.....	72	71	75	56	55	58	56	58	64	77	78	75
Arizona.....	65	66	100	75	.....	.....	.....	.....	.....	90	101	90
Utah.....	58	58	58	49	51	55	60	59	63	90	67	70
Nevada.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Idaho.....	70	71	59	62	.....	.....	.....	.....	.....	60	62	57
Washington.....	60	62	69	40	57	55	42	55	59	58	65	55
Oregon.....	56	47	56	55	56	53	60	64	57	57	66	67
California.....	55	50	57	53	53	56	62	60	61	68	77	74
Oklahoma.....	.....	.....	.....	.....	.....	.....	.....	20	26	76	39	38
Indian Territory.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	76	43	39
United States.....	39.3	36.5	45.7	25.3	21.5	26.3	28.7	30.3	35.7	60.5	40.3	42.5

*Wheat (per bushel.)*

States.	1892.	1893.	1894.	1895.	1896.	1897.	1898.	1899.	1900.	1901.	1902.	1903.
Maine.....	\$1.02	\$1.02	\$0.79	\$0.82	\$0.84	\$1.06	\$0.89	\$0.91	\$0.90	\$0.97	\$0.92	\$0.98
New Hampshire.....	1.00	.85	.80	.76	1.00	1.10	.92	.95	.92	.....	.....	.....
Vermont.....	.96	.85	.67	.69	.93	1.04	.90	.85	.78	.94	1.09	.95
Massachusetts.....	.97	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Rhode Island.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Connecticut.....	.87	.....	.....	.68	.....	1.00	.88	.95	.82	.....	.....	.....
New York.....	.85	.76	.62	.68	.88	.90	.72	.80	.77	.82	.79	.81
New Jersey.....	.83	.70	.61	.71	.89	.93	.73	.75	.74	.72	.76	.82
Pennsylvania.....	.81	.65	.56	.65	.83	.91	.68	.66	.72	.72	.73	.79
Delaware.....	.75	.60	.55	.64	.87	.94	.69	.68	.70	.71	.75	.78
Maryland.....	.74	.76	.54	.64	.88	.93	.70	.68	.71	.71	.72	.79
Virginia.....	.76	.63	.56	.65	.80	.92	.66	.69	.72	.73	.79	.84
North Carolina.....	.89	.72	.65	.72	.83	.94	.78	.82	.82	.82	.92	.97
South Carolina.....	.93	.98	.87	.88	.89	1.18	.94	.99	1.01	.98	1.02	1.01
Georgia.....	.90	.90	.76	.82	.89	1.03	.98	.98	.95	.94	.98	.96
Florida.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Alabama.....	.93	.88	.78	.80	.85	1.01	.90	.89	.89	.88	.93	.95
Mississippi.....	.90	.85	.75	.61	.82	.99	.83	.78	.84	.86	.85	.93
Louisiana.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Texas.....	.75	.58	.54	.66	.75	.89	.68	.68	.64	.78	.77	.78
Arkansas.....	.80	.65	.55	.59	.71	.84	.58	.64	.65	.78	.67	.78
Tennessee.....	.68	.57	.51	.62	.74	.95	.67	.78	.79	.74	.76	.84

*Wheat (per bushel)—Continued.*

States.	1892.	1893.	1894.	1895.	1896.	1897.	1898.	1899.	1900.	1901.	1902.	1903.
West Virginia	\$0.75	\$0.72	\$0.60	\$0.69	\$0.78	\$0.89	\$0.71	\$0.71	\$0.77	\$0.77	\$0.82	\$0.85
Kentucky.....	.67	.57	.50	.61	.76	.89	.62	.66	.69	.72	.74	.81
Ohio.....	.68	.57	.49	.60	.78	.88	.66	.64	.71	.71	.71	.80
Michigan.....	.67	.57	.52	.60	.84	.87	.64	.65	.69	.71	.69	.77
Indiana.....	.64	.53	.46	.57	.80	.89	.63	.64	.70	.70	.68	.78
Illinois.....	.63	.51	.45	.53	.74	.89	.60	.63	.64	.69	.59	.75
Wisconsin.....	.62	.54	.51	.51	.70	.84	.59	.61	.64	.65	.64	.72
Minnesota.....	.61	.51	.49	.44	.68	.77	.54	.55	.63	.60	.61	.69
Iowa.....	.60	.49	.50	.46	.62	.75	.52	.55	.59	.60	.55	.62
Missouri.....	.58	.48	.43	.51	.70	.85	.59	.62	.63	.69	.58	.71
Kansas.....	.52	.42	.44	.45	.63	.74	.50	.52	.55	.59	.55	.59
Nebraska.....	.50	.40	.49	.40	.58	.69	.47	.49	.53	.54	.49	.54
South Dakota.....	.51	.44	.46	.38	.62	.69	.50	.50	.58	.53	.51	.62
North Dakota.....	.52	.43	.43	.38	.64	.74	.51	.51	.58	.54	.58	.63
Montana.....	.69	.60	.54	.73	.66	.68	.58	.61	.61	.67	.62	.66
Wyoming.....	.66	.65	.63	.64	.62	.70	.69	.67	.76	.69	.81	.74
Colorado.....	.58	.52	.65	.56	.61	.70	.56	.57	.59	.67	.75	.66
New Mexico.....	.80	.75	.88	.73	.66	.75	.62	.61	.68	.72	.86	.75
Arizona.....	.78	.65	1.00	.65	.80	.74	.92	.64	.71	.85	1.05	.93
Utah.....	.62	.60	.53	.44	.68	.68	.54	.53	.55	.70	.76	.80
Nevada.....	.75	.73	.75	.49	.69	.90	.95	.70	.70	.88	.98	.99
Idaho.....	.60	.60	.46	.47	.65	.70	.51	.50	.46	.61	.70	.75
Washington.....	.58	.48	.39	.41	.74	.68	.54	.51	.51	.47	.65	.69
Oregon.....	.64	.55	.43	.47	.72	.72	.62	.53	.55	.54	.67	.77
California.....	.68	.53	.57	.60	.83	.83	.72	.62	.58	.60	.80	.87
Oklahoma.....	.....	.....	.51	.48	.68	.76	.52	.53	.53	.63	.58	.63
Ind. Territory.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.69	.61	.69
United States	.624	.538	.491	.509	.726	.808	.582	.584	.619	.624	.630	.695

*Oats (per bushel).*

States.	1892.	1893.	1894.	1895.	1896.	1897.	1898.	1899.	1900.	1901.	1902.	1903.
	Cts	Cts	Cts	Cts	Cts	Cts	Cts	Cts	Cts	Cts	Cts	Cts
Maine.....	45	45	44	34	31	32	34	38	38	50	45	45
New Hampshire.....	44	43	49	35	35	38	38	39	38	52	44	48
Vermont.....	43	42	51	33	31	32	35	37	36	50	43	44
Massachusetts.....	48	42	43	34	35	33	37	38	38	55	45	49
Rhode Island.....	49	43	47	39	31	34	37	37	38	54	43	45
Connecticut.....	45	40	43	31	31	34	36	37	35	54	41	45
New York.....	39	30	39	28	26	27	31	33	32	48	36	41
New Jersey.....	41	35	38	29	28	30	31	33	31	47	39	43
Pennsylvania.....	40	35	38	27	24	27	30	29	30	45	34	37
Delaware.....	38	38	35	29	21	23	30	25	30	45	42	40
Maryland.....	38	35	39	27	23	26	29	30	31	41	38	40
Virginia.....	39	35	37	30	26	29	29	33	37	42	42	43
North Carolina.....	45	44	44	38	35	37	37	41	45	51	51	52
South Carolina.....	52	53	53	49	48	45	45	47	48	62	59	59
Georgia.....	52	52	51	46	41	42	48	48	49	67	53	55
Florida.....	55	55	61	65	53	53	54	50	50	72	61	60
Alabama.....	51	51	51	42	41	43	41	43	44	64	55	54
Mississippi.....	50	47	47	39	44	44	42	50	46	63	51	51
Louisiana.....	50	44	47	36	34	38	38	40	40	60	50	46
Texas.....	38	42	39	26	34	27	28	30	30	60	49	44
Arkansas.....	40	39	40	32	31	33	29	34	35	57	41	44
Tennessee.....	38	41	35	27	26	28	28	32	35	45	42	42
West Virginia.....	41	38	39	32	28	30	30	35	34	43	41	46
Kentucky.....	37	34	36	26	24	27	27	32	31	41	36	41
Ohio.....	35	30	31	22	17	20	24	25	26	39	32	36
Michigan.....	35	32	34	23	19	23	27	28	26	41	33	36
Indiana.....	34	28	30	20	16	19	23	23	23	38	28	32
Illinois.....	31	27	39	17	15	18	23	22	23	40	28	32
Wisconsin.....	29	27	30	18	17	19	24	23	23	39	30	34
Minnesota.....	28	26	30	14	15	19	21	22	24	34	27	30
Iowa.....	26	23	28	14	12	16	24	19	20	36	25	29
Missouri.....	30	25	29	18	17	19	23	24	23	43	28	32
Kansas.....	26	27	31	17	16	18	22	22	23	43	30	30
Nebraska.....	23	22	36	14	11	15	20	22	24	37	25	27
South Dakota.....	23	25	35	17	13	18	21	23	24	34	29	29
North Dakota.....	28	28	29	16	18	26	26	27	32	33	27	31
Montana.....	40	37	31	44	31	33	35	39	42	36	36	35
Wyoming.....	38	40	48	39	53	35	40	40	47	48	50	50
Colorado.....	34	37	46	28	30	32	41	42	43	50	51	41
New Mexico.....	56	51	50	45	40	41	41	44	48	60	68	62
Arizona.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	60	75	61
Utah.....	40	33	34	30	39	33	38	40	44	51	47	49
Nevada.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	70	70	68
Idaho.....	37	41	32	29	30	32	36	38	40	44	48	45
Washington.....	35	35	31	28	40	35	40	38	40	35	49	38
Oregon.....	37	37	28	27	33	35	40	41	41	34	41	44
California.....	40	38	44	39	44	49	50	47	46	44	51	54
Oklahoma.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	50	34	34
Indian Territory.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	46	37	35
United States.....	31.7	29.4	32.4	19.9	18.7	21.2	25.5	24.9	25.8	39.9	30.7	34.1

*Prices of articles of farm production on farms, 1877 to 1904.*

Year.	Wheat, per bushel.	Corn, per bushel.	Oats, per bushel.	Barley, per bushel.	Rye, per bushel.	Horses, per head.	Mules, per head.	Milch cows, per head.	Other cattle, per head.	Sheep, per head.	Swine, per head.	Potatoes, per bushel.	Hay, per ton.	Butter, per pound.	Cheese, per pound.	Eggs, per dozen.	Wool, per pound.			Tobacco, per pound.	Cotton, per pound.
																	Fine.	Medium.	Coarse.		
1877	105.7	34.8	28.4	Cts. 62.8	Cts. 57.6	\$60.09	\$68.92	\$27.33	\$17.10	\$2.26	\$6.09	Cts. 44.8	\$ 8.59	Cts. 20.6	Cts. 11.8	Cts. 25.9	Cts. 11.82	Cts. 10.2	Cts. 47.25	Cts. 35.05	Cts. 5.7
1878	107.6	31.7	24.6	52.5	58.9	58.16	63.71	26.42	17.14	2.26	4.99	58.9	7.21	18.0	11.4	15.8	11.22	8.7	38.75	34.25	5.5
1879	110.8	37.5	33.1	58.9	65.6	52.41	56.06	21.73	15.39	1.84	3.18	43.6	9.32	14.2	8.9	15.5	10.84	7.8	36.50	33.75	5.2
1880	95.1	39.6	36.0	66.6	75.6	54.75	61.26	23.97	16.10	2.21	4.28	48.3	11.65	17.1	9.5	16.5	11.51	7.7	49.25	46.00	6.2
1881	119.2	36.6	48.1	83.3	93.3	58.44	69.79	23.95	17.33	2.39	4.70	90.9	11.82	19.8	11.1	17.2	12.03	8.3	43.00	45.75	5.5
1882	88.4	48.5	37.5	62.9	61.5	58.53	71.35	25.89	19.89	2.37	5.97	55.7	9.70	19.3	11.0	19.2	11.56	8.5	42.50	45.25	5.5
1883	91.1	42.4	32.7	58.7	58.1	70.59	79.49	30.21	21.81	2.53	6.75	42.0	8.19	18.6	11.2	20.9	11.88	8.3	40.50	43.25	5.5
1884	64.5	35.7	27.7	48.7	51.9	74.64	84.22	31.37	23.52	2.37	5.57	40.0	8.17	18.2	10.3	21.2	10.88	9.1	37.00	40.00	5.5
1885	77.1	32.8	28.5	56.3	57.9	73.70	82.38	29.70	23.25	2.14	5.02	44.7	8.71	16.8	9.3	21.5	10.45	9.9	32.75	32.75	5.5
1886	68.7	36.6	29.8	53.6	53.8	71.27	79.60	27.40	21.17	1.91	4.26	45.0	7.36	15.6	8.3	18.3	9.28	9.6	34.00	35.25	5.5
1887	68.1	44.4	30.4	51.9	54.5	72.15	78.91	26.08	19.79	2.01	4.48	68.5	9.34	15.8	9.3	16.3	10.21	8.7	33.00	33.75	5.0
1888	92.6	34.1	27.8	59.0	58.8	71.82	79.78	24.65	17.79	2.05	4.88	40.4	8.76	18.3	9.9	15.9	10.03	8.3	30.50	34.00	5.0
1889	69.8	28.3	22.9	41.6	42.3	71.89	79.89	23.94	17.05	2.13	5.79	40.3	7.88	16.5	9.3	13.9	10.65	8.8	33.75	37.75	4.9
1890	83.8	50.6	42.4	62.7	62.9	68.84	78.25	22.14	15.21	2.27	4.72	77.7	7.74	14.4	9.0	15.4	11.07	8.6	32.75	32.00	2.63
1891	83.9	40.6	31.5	52.4	54.1	67.00	77.88	21.62	14.76	2.50	4.15	37.1	8.39	14.5	9.0	17.7	8.60	8.7	31.75	36.00	2.67
1892	62.4	39.4	31.7	47.5	54.1	65.01	75.55	21.40	15.16	2.58	4.60	67.3	8.49	16.0	9.4	18.0	7.71	8.4	29.00	30.75	2.68
1893	53.8	36.5	29.4	41.1	51.3	61.22	70.68	21.75	15.24	2.66	6.41	59.0	8.68	19.0	9.4	23.2	8.56	9.0	26.50	34.00	2.79
1894	49.1	45.7	32.9	44.2	50.1	47.83	62.17	21.77	14.66	1.98	5.98	53.6	8.54	17.6	9.7	16.9	6.94	8.5	20.75	22.25	2.63
1895	50.9	25.3	19.9	33.7	44.0	36.29	47.55	21.97	14.06	1.58	4.91	26.6	8.35	15.4	9.1	16.8	7.44	8.7	17.50	20.80	2.53
1896	72.6	21.5	18.7	32.3	40.9	33.07	45.29	22.55	15.86	1.70	4.35	28.6	6.55	16.2	8.4	14.7	7.93	8.5	18.25	19.875	2.34
1897	80.8	26.3	21.2	37.7	44.7	31.51	41.66	23.16	16.65	1.82	4.10	54.7	6.65	14.3	9.1	13.8	7.00	8.0	22.125	24.00	2.35
1898	58.2	28.7	25.5	41.3	46.3	34.26	43.88	27.45	20.92	2.46	4.39	41.4	6.00	15.0	8.6	16.3	6.94	8.7	28.625	29.75	2.39
1899	58.4	30.3	24.9	40.3	51.0	37.40	44.96	27.66	22.79	2.75	4.40	39.0	7.27	16.3	8.6	19.1	6.88	9.3	28.00	30.50	2.53
1900	61.9	35.7	25.8	40.8	51.2	44.61	53.36	31.60	19.93	2.93	5.00	43.1	8.89	17.2	10.4	16.6	9.25	8.7	30.563	33.00	2.74
1901	62.4	60.5	39.9	45.2	55.7	52.86	63.97	30.00	24.97	2.98	6.20	76.7	10.01	17.3	9.9	18.3	8.75	9.0	25.50	27.125	2.875
1902	63.0	40.3	30.7	45.9	50.8	58.61	67.61	29.23	18.76	2.65	7.03	47.1	9.06	18.0	10.1	19.5	9.00	9.2	26.125	27.063	2.62
1903	69.5	42.5	34.1	45.6	54.5	62.25	72.49	30.21	18.45	2.63	7.78	61.4	9.08	18.0	11.9	21.5	11.18	9.8	30.75	31.125	2.88
1904						67.93	78.88	29.21	16.32	2.59	6.15										



## Wholesale prices in New York of articles of farm consumption, 1877 to 1904.

Year.	Sugar, per pound.	Sheetings, per yard.	Drillings, per yard.	Shirtings, per yard.	Calico, per yard.	Prints, per yard.	Gingham, per yard.	Tickings, per yard.	Bags, each.	Carpets, per yard.	Coffee, per pound.	Coal, per ton.	Nails, per 100 pounds.	Shovels, per dozen.	Shingles, per thousand.	Molasses, per gallon.	Starch, per pound.	Illuminating oil, per gal.	Salt, fine, per barrel.	Men's brogans.
1877.....	Cts. 11.6	Cts. 8.46	Cts. 8.46	Cts. 12.46	Cts. 7.38	Cts. 6.77	Cts. 8.18	Cts. 15.38	Cts. 17.88	81.21	Cts. 16.94	\$2.59	\$22.57	\$10.00	\$3.10	Cts. 58.75	Cts. 7.93	Cts. 21.10	\$0.85	\$1.35
1878.....	10.2	7.80	7.65	11.00	6.63	6.09	8.75	15.13	17.88	73.33	16.38	3.22	2.31	9.04	2.50	43.75	7.44	14.40	.75	1.10
1879.....	8.81	7.97	7.57	11.62	5.85	6.25	8.25	14.31	17.94	64.80	14.31	2.70	2.69	9.07	2.375	38.00	7.00	10.8	1.25	1.275
1880.....	9.80	8.51	8.51	12.74	7.63	7.41	8.81	15.38	19.31	87.67	15.13	4.53	3.68	10.03	2.375	47.34	7.00	8.6	.75	1.30
1881.....	9.70	8.51	8.06	12.74	7.00	7.00	9.31	16.25	18.06	73.14	12.06	4.53	3.09	9.47	2.875	51.25	7.11	10.3	.75	1.30
1882.....	9.35	8.45	8.25	12.95	6.75	6.50	8.94	16.56	18.56	78.21	9.13	4.61	3.47	9.34	3.75	46.00	7.44	9.1	.75	1.275
1883.....	8.65	8.32	7.11	12.98	6.44	6.00	7.50	14.63	18.31	72.62	9.31	4.54	3.06	9.09	3.125	39.50	7.76	8.8	.75	1.25
1884.....	6.75	7.28	6.86	10.46	6.06	6.00	6.88	12.44	17.16	63.40	10.75	4.42	2.39	8.82	2.95	40.25	7.20	9.2	.75	1.20
1885.....	6.53	6.75	6.36	10.37	5.75	6.00	6.75	11.38	15.94	59.55	8.97	4.10	2.27	8.38	2.75	37.50	6.75	8.7	.70	1.20
1886.....	6.23	6.75	6.25	10.65	6.00	6.00	6.63	11.75	14.44	60.75	9.53	4.00	2.27	7.87	3.00	36.00	6.08	8.7	.65	1.177
1887.....	6.02	7.15	6.58	10.88	5.19	6.00	6.88	13.25	14.69	57.40	16.97	4.05	2.30	7.87	3.20	37.50	5.85	7.8	.65	1.15
1888.....	7.18	7.25	6.75	10.94	6.25	6.50	6.81	12.13	15.75	51.77	17.62	4.04	2.00	7.87	3.15	40.00	5.85	7.9	.65	1.125
1889.....	7.89	7.00	6.75	10.50	6.25	6.50	6.31	12.13	15.75	51.77	17.62	4.04	2.00	7.87	3.05	38.25	5.85	7.8	.65	1.075
1890.....	6.27	7.00	6.75	10.90	6.50	6.00	6.25	12.00	15.94	51.60	17.93	3.93	2.00	7.87	3.35	35.42	5.46	7.4	.79	1.05
1891.....	4.65	6.83	6.41	10.64	5.75	6.00	6.50	11.75	15.63	55.20	16.71	3.85	1.86	7.87	3.26	27.88	6.00	7.0	.79	1.05
1892.....	4.35	6.50	5.60	10.25	6.25	6.25	6.50	11.50	15.50	50.40	14.30	3.98	1.83	7.87	3.15	31.88	6.00	5.9	.76	1.037
1893.....	4.84	5.90	5.72	9.75	6.25	6.25	6.31	11.81	14.94	52.80	17.23	3.90	1.44	7.87	3.00	33.46	6.00	4.9	.70	1.013
1894.....	4.12	5.11	5.07	9.50	5.50	4.90	4.85	10.84	12.75	46.80	16.54	3.90	1.08	7.45	2.80	30.92	5.67	4.2	.72	.969
1895.....	4.12	5.74	5.69	9.85	5.25	5.25	4.66	10.06	11.50	42.00	15.92	3.50	1.47	7.45	2.65	30.83	5.54	4.9	.70	.981
1896.....	4.53	5.45	5.48	9.50	5.25	4.66	4.72	10.19	12.81	40.80	15.32	3.50	1.47	7.45	2.50	32.46	5.13	6.8	.62	.994
1897.....	4.50	4.73	4.75	9.26	5.00	4.70	4.38	9.75	13.00	43.20	7.93	3.50	1.47	7.93	2.32	26.17	5.00	6.3	.66	.95
1898.....	4.97	4.20	4.10	8.00	4.40	3.96	4.31	8.94	13.88	46.80	6.33	3.50	1.31	7.93	2.65	30.83	5.00	5.9	.66	.913
1899.....	4.92	5.13	5.13	9.50	4.83	4.25	4.77	9.23	14.46	45.60	6.04	3.75	1.21	8.61	2.663	35.25	5.00	5.6	.64	.938
1900.....	5.32	5.95	5.95	10.75	5.25	5.00	5.15	10.13	15.75	49.20	8.22	3.47	2.46	9.12	2.85	47.75	5.00	7.8	1.00	.938
1901.....	5.05	5.54	5.48	10.25	5.00	4.62	4.90	10.13	14.13	48.00	6.46	3.80	2.29	9.12	2.85	37.83	4.70	6.6	.86	.944
1902.....	4.46	5.48	5.52	10.50	5.00	5.00	5.23	10.50	14.33	48.40	5.86	3.80	2.29	9.36	2.671	36.38	4.40	6.3	.64	.931
1903.....	4.64	6.25	6.37	10.75	5.04	5.00	5.50	11.04	14.58	51.36	5.59	3.80	2.36	8.02	2.567	35.46	5.07	6.7	.61	.930

*Grain, Chicago to New York, and average rates, in cents, per bushel.*

[From Bulletin No. 15, Revised. Miscellaneous Series, of the Division of Statistics.]

Year.	Wheat.				Corn.	
	Via lake and rail.		Via all rail.		Via lake and rail.	Via all rail.
	As reported by New York Produce Exchange.	As reported by Chicago Board of Trade.	As reported by New York Produce Exchange.	As reported by Chicago Board of Trade.	As reported by Chicago Board of Trade.	As reported by Chicago Board of Trade.
1868	20.76	.....	30.49	27.09	.....	25.28
1869	18.80	18.80	26.39	26.74	17.71	24.96
1870	19.15	19.58	28.98	26.11	19.32	24.37
1871	22.38	22.76	27.75	28.47	21.24	26.57
1872	24.91	26.25	29.80	31.13	23.67	29.06
1873	23.64	21.63	29.17	27.26	20.19	25.42
1874	15.20	15.37	25.81	23.61	12.48	22.03
1875	12.71	12.09	20.97	20.89	11.34	19.50
1876	10.58	10.19	14.80	15.12	9.68	14.12
1877	15.08	14.75	19.37	19.56	13.42	18.03
1878	11.31	11.99	17.56	17.56	10.45	16.39
1879	13.30	13.13	17.30	17.74	12.20	14.56
1880	15.70	15.80	19.90	19.80	14.43	17.48
1881	10.40	10.49	14.40	14.40	9.42	13.40
1882	10.90	10.91	14.60	14.47	10.28	13.50
1883	11.5	11.63	16.5	16.20	11	15.12
1884	9.55	10	13.12	13.20	8.50	12.32
1885	9.02	9.02	14	13.20	8.01	12.32
1886	12	12	16.50	15	11.20	14
1887	12	12	16.33	15.75	11.20	14.70
1888	11	11.14	14.50	14.50	10.26	13.54
1889	8.70	8.97	15	15	8.19	12.6
1890	8.50	8.52	14.31	14.30	7.32	11.36
1891	8.53	8.57	15	15	7.53	14
1892	7.55	7.59	14.23	13.80	7.21	12.96
1893	8.44	8.48	14.70	14.63	7.97	13.65
1894	7	7	12.88	13.20	6.50	12.32
1895	6.95	6.96	12.17	11.89	6.40	10.29
1896	7.32	6.61	12	12	6.15	10.50
1897	7.37	7.42	12.32	12.50	6.92	11.43
1898	.....	4.91	11.55	12	4.41	9.80
1899	6.63	6.63	11.13	11.60	5.83	10.08
1900	5.05	5.10	9.98	9.96	4.72	9.19
1901	5.57	5.54	9.92	9.88	5.16	9.21
1902	5.78	5.89	*10.60	10.62	5.51	9.94
1903	.....	6.37	.....	11.29	5.78	10.54

*Live stock and dressed meats, Chicago to New York. Average freight rates, in cents, per 100 pounds.*

Year.	Cattle.	Hogs.	Sheep.	Horses and mules.	Dressed beef.	Dressed hogs.	
						Refrigerator cars.	Common cars.
1880	55	43	65	60	88	.....	.....
1881	35	31	61	60	56	.....	.....
1882	36	29	53	60	57	.....	.....
1883	40	32	50	60	64	.....	.....
1884	31	28	44	60	51	.....	.....
1885	31	26	43	60	54	.....	.....
1886	33	30	42	60	61	.....	.....
1887	33	32	40	60	62	59	54
1888	22	26	31	60	46	46	44
1889	25	30	30	60	47	47	45
1890	23	28	30	60	39	39	39
1891	27	30	30	60	45	45	45
1892	28	28	30	60	45	45	45
1893	28	20	30	60	45	45	45
1894	28	30	30	60	45	45	45
1895	28	30	30	60	45	45	45
1896	28	30	30	60	45	45	45
1897	28	30	30	60	45	45	45
1898	28	30	30	60	45	45	45
1899	25	25	25	60	40	40	40
1900	28	30	30	60	45	45	45
1901	28	30	30	60	42.9	42.9	42.9
1902	28	30	30	60	41.2	41.2	41.2
1903	28	30	30	60	45	45	45

*Average freight rates on grain, flour, and provisions, in cents per 100 pounds, through from Chicago to European ports, by all rail to seaboard and thence by steamers, from 1894 to 1903.*

Shipped to—	Articles.	1894.	1897.	1900.	1903.
Liverpool.....	Grain.....	32.5	33.6	29.48	22.68
Do.....	Sacked flour.....	33.16	36.81	27.9	25.19
Do.....	Provisions.....	44.06	44.4	48.84	41.9
Glasgow.....	Grain.....	34.63	35.23	30.98	24.43
Do.....	Sacked flour.....	35.03	39.06	31.56	25.38
Do.....	Provisions.....	46.59	52.5	55.31	46.88
London.....	Grain.....	32.88	34	31.1	23.56
Do.....	Sacked flour.....	34.93	36.12	35.01	25.19
Do.....	Provisions.....	45.75	48.14	55.87	44.06
Antwerp.....	do.....	46.88	51.09	51.09	49.69
Hamburg.....	do.....	50	51	50	47
Amsterdam.....	do.....	50	52	51	42
Rotterdam.....	do.....	50	52	51	42
Copenhagen.....	do.....	55.31	57.28	55.31	49.69
Stockholm.....	do.....	66.56	68.53	64.5	52.5
Stettin.....	do.....	55.31	57.28	55.31	49.69
Bordeaux.....	do.....	62.5	64.13	64.12	56.25

*Average annual freight rates from 1870 to 1903.*

[From Statistical Abstract.]

Year.	Freight rates on wheat per bushel.		Freight rates on canned goods, per cwt., from Pacific coast to New York.	
	Chicago to New York, by rail.	Buffalo to New York, by canal.	Less than car-loads.	In car-loads.
	Cents.	Cents.		
1870.....	33.3	11.2	\$3.66	\$3.66
1871.....	31	12.6	3.76	3.76
1872.....	33.5	13.	3.74	3.74
1873.....	33.2	11.4	3.69	3.69
1874.....	28.7	10.	3.78	3.78
1875.....	24.1	7.9	3.66	3.66
1876.....	16.5	6.6	3.77	3.77
1877.....	20.3	7.4	4.06	4.06
1878.....	17.7	6.	4.17	4.17
1879.....	17.3	6.8	4.20	4.20
1880.....	19.9	6.5	4.20	4.20
1881.....	14.4	4.7	2.54	2.54
1882.....	14.6	5.4	1.50	1.50
1883.....	16.5	4.9	1.50	1.50
1884.....	13.1	4.2	1.50	1.41
1885.....	14	3.8	1.50	1.25
1886.....	16.5	5.	1.18	1.01
1887.....	15.7	4.5	1.55	1.20
1888.....	14.5	3.4	1.89	1.13
1889.....	15	4.8	2.30	1.06
1890.....	14.3	3.8	2.30	1.00
1891.....	15	3.5	2.30	1.09
1892.....	14.2	3.5	2.30	1.05
1893.....	14.7	4.6	2.30	1.00
1894.....	12.9	3.2	2.30	1.00
1895.....	12.2	2.2	2.30	1.00
1896.....	12	3.7	1.91	.75
1897.....	12.3	2.8	1.90	.76
1898.....	11.6	2.8	1.90	.75
1899.....	11.1	3	1.90	.75
1890.....	10.0	2.5	1.90	.75
1901.....	9.9	3.5	1.90	.75
1902.....	10.6	3.8	1.90	.75
1903.....	11.3	4	1.90	.75



## VALUE OF THE FACTORY TO THE FARMER.

**Practical and Statistical Evidence that Manufacturing Establishments Increase the Earnings of Farmers in the Section Where Located and Advance the Permanent Value of Farm Properties—A Comparison of Conditions in the Manufacturing and Non-manufacturing Sections, Based Upon Official Figures.**

The table here presented illustrates by figures taken from official reports the value to the farmer of the location of manufacturing industries in his immediate vicinity. That the existence of a great manufacturing industry in the country—an industry which employs 5 million people and pays wages and salaries amounting to 2½ billions of dollars per annum—is of great value to the farming interests goes without saying, but that the location of the factory in the immediate vicinity of the farm adds to the value of that farm and to the earnings of those who own or occupy it is also true.

Mr. McKinley remarked in the House of Representatives in the discussions of the Fiftieth Congress that “the establishment of a furnace or factory or mill in any neighborhood has the effect at once to enhance the value of all property and all values for miles surrounding it;” and Thomas B. Reed, of Maine, inquired, “Which is it better for the farmer to do—send his surplus a thousand miles to the seacoast, 3,000 miles across the water and sell it to the mechanic who gets less wages, or sell it right here at home to the mechanic who gets more wages?” “Every farmer knows,” said Representative Brewer, of Michigan, in the Fiftieth Congress, “that he cannot send to foreigners his potatoes, vegetables and many other things which he grows upon the farm and that he must rely upon the home market for the same, and this is why the lands in rough and rocky New England and sterile New Jersey are more valuable than are fertile lands in Michigan and Minnesota.”

“The extraordinary effect,” said President Grant, in a message to Congress, “produced in our country by a resort to diversified occupations has built a market for the products of fertile lands destined for the seaboard and the markets of the world. The American system of locating various and extensive manufacturing next to the plow and the pasture and adding connecting railroads and steamboats has produced in our distant interior country a result noticeable by the intelligent portions of all commercial nations.”

The table which follows, made up from official figures, is intended to illustrate, in some degree, the effect upon the farm and its occupant of the proximity of manufacturing industries. In preparing this table that part of the United States lying north of the Potomac and Ohio rivers and east of the Mississippi has been taken as the chief manufacturing section of the country, and the value of the farm lands and farm products in that section is contrasted with that in the other part of the United States, which has comparatively little manufacturing and may be termed the agricultural but non-manufacturing section. The portion of the United States designated as the manufacturing section in this table and discussion, then, includes all of the New England and Middle States and Maryland, District of Columbia, Ohio, Indiana, Illinois, Wisconsin, and Michigan. This manufacturing section contains, speaking in round terms, one-half (50.9 per cent) of the population of the United States, while the agricultural but non-manufacturing section, lying south of the Potomac and Ohio rivers and west of the Mississippi, contains the other half (49.1 per cent.) of the population. In the section north of the Potomac and Ohio rivers and east of the Mississippi is produced 77 per cent. of the manufactures of the country, and in the other section 23 per cent., as shown by the reports of the census of 1900. The

section designated as the manufacturing section has no advantage in soil or climate over large portions of the other section.

More than one-half of the wheat, two-thirds of the corn, all of the cotton, and by far the largest share of the meat and wool supply of the United States are produced in the agricultural and non-manufacturing section, while more than three-fourths of the manufactures are produced in the manufacturing section, the population in the two sections being practically equal.

This division of the territory of the United States into these two great sections—each containing one-half of the population, the one performing approximately three-quarters of the manufacturing of the United States and the other approximately three-fourths of the agricultural industry of the country—gives an opportunity for a broad, intelligent and absolutely fair study of the effect of the proximity of the factory upon the farmer as relates to the value of his property and its annual production and of his own earning power as an individual. It will be seen by a study of the table that the average value per acre of all farm lands in the manufacturing section in 1900 was, according to the census, \$24 per acre, and in the non-manufacturing section, \$12 per acre; and the average value of lands and buildings in the manufacturing section, \$32 per acre, and in the non-manufacturing section, less than \$15 per acre; while the value per acre of improved land only, including buildings, was, in the manufacturing section, \$58 per acre, and in the other section but \$31. The average value of buildings, which represent in some degree the savings of the farmer, was in the manufacturing section, \$15 per improved acre and in the non-manufacturing section \$5.50 per improved acre, while of implements used upon the farms the value per improved acre in the manufacturing section was nearly twice as great as in the non-manufacturing section. Coming to the value of farm products, the average value per improved acre in the manufacturing section was \$141, and in the non-manufacturing section \$101. The average value per head of milch cows in the manufacturing section was \$33, and in the other section \$27. The average value per head of horses in the manufacturing section was \$60, and in the non-manufacturing section \$43, and the average value of farm products per person engaged was, in the manufacturing section, \$619, and in the non-manufacturing section, \$394.

Thus in all of these evidences of prosperity, earnings, value of property, etc., the condition of the farmer in the manufacturing section was, according to the figures of the last census, much higher than that in the non-manufacturing section, despite the fact that the non-manufacturing section has soil, climate, lands, and producing power quite as favorable and in many cases more favorable than those of the manufacturing section. In the great and final measure of relative prosperity of the farmer in the two sections, as indicated by the item "Average value of farm products per person engaged," the earnings of the farmer in the manufacturing section are 57 per cent. greater than those in the non-manufacturing section whose soil, climate, etc., and producing capacity certainly equal, if they do not surpass as a whole, those of the manufacturing section as a whole.

Another measure of the relative prosperity of the people of the two sections is found in the deposits in savings banks, in which the per capita in the manufacturing section is \$57, and in the non-manufacturing section less than \$7, while of deposits in all banks the per capita in the manufacturing section is \$153 and in the other section \$37. The assessed value of real and personal property, that measure of accumulations and permanent prosperity, is, in the manufacturing section, \$606 per capita and in the non-manufacturing section \$278 per capita, while in other evidences of prosperity, such as salaries paid to teachers in public schools, newspapers circulated, etc., the per capita is also greatly in favor of the manufacturing section.

This table is compiled in every particular from official statistics, chiefly those of the census of 1900, though in a few instances those of the Department of Agriculture, where the latter could be utilized to obtain data for a later year than the census.

Attention is called to the map of the United States on the cover of this volume, which indicates the two sections here discussed and some of the countries presented.



*Relative conditions of prosperity in the manufacturing and non-manufacturing sections of the United States, respectively.\**

[From Census of 1900.]

	Manufacturing section.	Other States.
Per cent of total population of United States..	50.9	49.1
Per cent of total area of United States.....	14.1	85.9
Gross value of manufactures in 1900.....	\$10,021,718,461	\$2,988,318,053
Per cent of total manufactures produced in section.....	77	23
Salaries and wages paid in manufactures in 1900.	\$2,194,936,683	\$536,471,656
Number of persons employed in manufactures 1900.....	4,437,714	1,273,917
Average value per acre of all farm lands.....	\$24.07	\$12.78
Average value per acre of all lands and buildings.	\$32.50	\$14.85
Average value per acre of land (improved only) and buildings.....	\$58.60	\$31.65
Average value of buildings per improved acre..	\$15.25	\$5.54
Average value of implements owned per improved acre.....	\$2.54	\$1.47
Average value per head of milch cows.....	\$33.62	\$27.46
Average value per head of horses.....	\$60.87	\$43.32
Average value of all farm products, per improved acre.....	\$141.00	\$101.40
Average value of farm products per person engaged.....	\$619.25	\$394.50
Deposits in savings banks, total.....	\$2,200,439,838	\$249,108,047
Deposits in savings banks, per capita.....	\$56.90	\$6.67
Deposits in all banks, total.....	\$5,949,984,845	\$1,384,666,395
Deposits in all banks, per capita.....	\$153.80	\$37.10
Bank clearings, total.....	\$76,356,970,422	\$8,225,479,659
Bank clearings, average per capita.....	\$1,973.50	\$220.40
Banking resources, total.....	\$8,613,200,000	\$2,167,500,000
Banking resources, average per capita.....	\$222.65	\$58.10
Real and personal property, assessed valuation	\$23,445,809,898	\$10,388,667,238
Real and personal property, per capita.....	\$606.25	\$278.50
Salaries paid teachers in public schools.....	\$85,234,961	\$52,452,785
Newspapers published, number.....	9,151	9,075
Newspapers, aggregate circulation.....	6,168,125,616	2,000,023,133

\*Manufacturing section includes area north of the Potomac and Ohio and east of the Mississippi, viz., the New England and Middle States, and Maryland, District of Columbia, Ohio, Indiana, Illinois, Michigan, and Wisconsin.

## PROGRESS IN MANUFACTURING IN THE UNITED STATES.

The following table shows the gross value of manufactures in the United States at each census year since 1850:

1850.....	\$1,019,106,616
1860.....	1,885,861,676
1870.....	4,232,325,442
1880.....	5,369,579,191
1890.....	9,372,437,283
1900.....	13,039,279,566

Divided into principal groups, the showing for 1900 is:

1. Food and kindred products.....	\$2,272,702,010
2. Iron and steel, and their products..	1,793,490,908
3. Textiles .....	1,637,484,484
4. Hand trades .....	1,183,615,478
5. Lumber and its manufactures.....	1,030,906,579
6. Miscellaneous industries .....	1,004,092,294
7. Metals, other than iron and steel..	748,795,464
8. Paper and printing.....	606,317,768
9. Leather and its finished products..	583,731,046
10. Chemicals and allied products.....	552,891,877
11. Vehicles for land transportation...	508,649,129
12. Liquors and beverages.....	425,504,167
13. Clay, glass and stone products....	293,564,235
14. Tobacco .....	283,076,546
15. Shipbuilding .....	74,578,158

This grand result gave employment to 5,316,802 wage earners earning \$2,328,691,254; 307,174 officials and clerks earning \$404,230,274 in 512,734 establishments.

Conservatively estimating the increase in all lines for the three years since 1900 and bearing in mind the immense immigration of each year we can safely assume our present industrial position to be:

Establishments . . . . .	600,000
Workers and officials .....	7,000,000
Yearly wages and salaries.....	\$3,750,000,000
Yearly product .....	\$15,000,000,000
Wealth .....	\$100,000,000,000



## THE SHEEP AND WOOL INDUSTRY.

### Some Figures on the Losses Under Free Trade in Wool.

The losses to the sheep and wool producers of the country through the Wilson-Gorman tariff law which placed wool on the free list are well remembered in general terms, but the actual figures regarding the fall in the value of sheep and the reduction in the number of sheep and the wool produced are such as to justify presentation. The figures of the Department of Agriculture show that the number of sheep in the United States on January 1, 1893, two months after the election of President Cleveland, was 47,273,553, and their value \$125,909,254. The same authority, the Department of Agriculture, operating under a Democratic Administration, showed on Jan. 1, 1896, the closing year of President Cleveland's term, 36,818,643 sheep in the United States and their value \$67,020,942. Here is a decrease of more than 10 millions, or nearly 25 per cent in the number of sheep and a decrease of 58 million dollars, or nearly 50 per cent in their value during President Cleveland's term, under which wool was placed on the free list. By January 1, 1903, the number of sheep had reached 63,964,876, and the value \$168,315,750, an increase of practically 75 per cent in the number, and 150 per cent in the value of the sheep in the country. This, however, is not all of the loss to the farmer—a loss of nearly 60 million dollars in the value of sheep alone. There was also a great loss in wool. The quantity of wool produced in 1893 was 303 million pounds and by 1895 had fallen to 209 million pounds and did not again reach the 300 million line until 1901, when it was 302 millions, and in 1902, 316 millions. Here was a reduction of practically one-third in the quantity of wool produced in 1895 as compared with 1893. But even this does not measure the loss, since the value per pound of the reduced production was far below that of prior years. Wool price quotations published by the Bureau of Statistics show that grades of wool which sold at 35 cents per pound in 1891 had fallen to 19 cents per pound in 1896 and by 1901 were again above the price of 30 cents per pound. A careful estimate of the value of the wool product of the United States made by an eminent authority on the subject puts the total value of the wool product of the country in 1892 at 79 million dollars, and in 1896 at 32½ millions, a loss of 46½ millions. Adding this loss in wool to the 58 million dollars loss in value of sheep, above quoted, gives a grand total of the loss to the farmer in the value of sheep and wool of over 100 million dollars for a single year for which this calculation is made, or approximately 400 million dollars for the four years of the Cleveland Administration. In 1902 the value of wool was estimated by experts at \$65,000,000, or double that of 1896.

### Effect of Protection and Free Trade in Regard to Sheep.

[Extracts from remarks of Hon. C. H. Grosvenor of Ohio, in daily Congressional Record, June 7, 1900.]

The official reports of the United States Government upon the subject of sheep raising and sheep values, which I will present, teach a wonderful lesson.

From 1878 to 1882, inclusive, the Morrill tariff (protection) was in force, and the number of sheep throughout the country increased by over 11,000,000 during this period.

The tariff of 1883 was in force from 1883 to 1889, inclusive. The duties imposed by this tariff upon raw wool amounted to no more than a revenue tariff on yarns and some other goods produced from wool; consequently the result of this tariff as a whole was not protective. Under its operation the number of sheep throughout the United States decreased by about 6,000,000.

The McKinley tariff, passed in 1890, was a scientific tariff as applied to wool growing, with the result that the number of sheep throughout the country increased by nearly 4,000,000 before the free-trade election of 1892.

The Wilson tariff, with free trade in wool, practically went into effect when Mr. Cleveland was elected, and immediately the flocks throughout the country began to decrease, and from 1893 to 1896 decreased by about 9,000,000.

The Dingley tariff reimposed the scientific schedules of the McKinley tariff, and with the promise of protection through the election of William McKinley and a Republican Congress the sheep-raising industry immediately began to prosper. From 1896 to and including 1900 the number of sheep increased by 1,042,411.

The effect of protection and free trade in regard to the number of sheep owned throughout the country is not more impressive than the effect as to value. Under the Morrill tariff the lowest price per head was \$2.09 and the highest \$2.55. Under the tariff of 1883 the lowest price per head was \$1.91 and the highest price was \$2.27. Under the McKinley tariff the lowest price was \$2.49 and the highest price \$2.66. Under free trade the lowest price was \$1.58 and the highest price \$1.92. Under the Dingley tariff the lowest price was \$2.75 per head, and now the value has advanced to \$3.90 per head, the highest average price in the history of the nation.

*Report of the United States Government on sheep raising from 1878 to 1898, inclusive, and report for 1900, based upon the sheep-raising census of the American Protective Tariff League.*

Year.	Number of sheep.	Average price per head.	Total value.
The Morrill tariff:			
1878.....	38,123,800	\$2.09	\$79,023,984
1879.....	40,765,900	2.21	90,230,537
1880.....	43,576,899	2.39	104,070,759
1881.....	45,016,224	2.37	106,594,954
1882.....	49,237,291	2.52	124,365,835
The tariff of 1883:			
1883.....	50,626,626	1.37	119,902,706
1884.....	50,360,243	2.14	107,960,650
1885.....	48,322,331	1.91	92,443,867
1886.....	44,759,314	2.01	89,872,839
1887.....	43,544,755	2.05	89,279,926
1888.....	42,599,079	2.13	90,640,369
1889.....	44,336,072	2.27	100,659,761
The McKinley tariff:			
1890.....	43,431,136	2.49	108,397,447
1891.....	44,938,365	2.58	116,121,290
1892.....	47,273,553	2.66	125,909,264
The Wilson tariff, free trade in wool.			
1893.....	45,048,017	1.98	89,186,110
1894.....	42,294,064	1.58	66,685,767
1895.....	38,298,783	1.70	65,167,735
1896.....	36,818,643	1.82	67,020,942
The Dingley tariff:			
1897.....	37,656,960	2.46	92,721,133
1898.....	39,114,453	2.75	107,697,530
1899 a.....			
1900.....	63,121,881	3.90	246,175,335

a United States Government report for 1899 not yet published.

In 1896 we had arrived at the lowest stage of the wool-growing industry since the rebellion, and possessed 36,818,643 sheep, which, under the fostering care of protection, were increased to 63,121,881.

The value of our sheep in 1896 was \$67,020,942, and under the fostering care of protection has reached the enormous value of \$246,175,335. In the history of industrial and economic conditions of the world no more wonderful result can be shown.

#### Over \$664,000,000 Loss in Two Years in Live Stock.

[Extract from remarks of Hon. Francis E. Warren, of Wyoming, in the Senate of the United States, and printed in the daily Congressional Record, January 23, 1896.]

#### LIVE STOCK TABLE.

A comparison between Republican and Democratic Administrations as shown by the values of domestic animals, horses, mules, cattle, sheep, and swine:

When we resumed specie payment in 1879 our domestic animals, horses, mules, cattle, sheep, and swine were valued at ..... \$1,445,423,062

During the ensuing six years, until the election of Mr. Cleveland in 1884, the values increased to....	2,467,868,924
A gain during six years of Republican rule of ..	1,022,445,862
During the ensuing four years, until the election of Mr. Harrison in 1888, values decreased from.....	2,467,868,924
To .....	2,409,043,418
A loss during four years of Democratic rule of..	58,825,506
During the ensuing four years, until the second election of Mr. Cleveland in 1892, values again increased from .....	2,409,043,418
To .....	2,461,755,698
A gain during four years of Republican rule of..	52,712,280
During the last two years, under the second administration of Mr. Cleveland and under proposed and accomplished free trade and sweeping tariff reductions, values again decreased from .....	2,483,506,681
To the comparatively insignificant total of .....	1,819,446,306
Showing the enormous loss in two years of Democratic rule of .....	664,060,375

Mr. President, over \$664,000,000 loss in two years in live stock! Do the American people comprehend this? That their losses in live stock alone have been \$1,100,000 for every working day during the past two years? And this, too, in these piping times of boasted plenty, prosperity, and pugnacity—toward England!

## CLASSIFIED TABLE.

Mr. President, I will give the classified shrinkages for the last one year quoted as to both numbers and values. All classes shrank except milch cows.

	Number.	Value.
Milch cows alone gained.....	17,229	\$3,603,068
Horses shrank.....	187,821	192,494,219
Mules shrank.....	19,123	35,304,977
Oxen and other cattle shrank.....	2,243,952	53,790,618
Swine shrank.....	1,040,782	50,883,359

But it remained for sheep to show the most disastrous shrinkage in both numbers and value, and to mark most plainly the poisonous effect of an un-Republican policy.

## SHEEP TABLE.

In 1884, under Republican policy, our sheep were 50,626,626 in numbers and of the value of .....	\$119,902,706
Under the influences of the threatened Mills bill they shrank to 42,599,079 in numbers and to the value of .....	90,640,369
A shrinkage of 8,027,547 head and in value....	29,262,337
From the lowest point recorded under the Mills bill fright up to 1893, under Republican guardianship, sheep increased to 47,273,553 in numbers and to the value of .....	125,909,264
An increase of 4,674,474 head and an increase in value of .....	35,268,895
But again upon Mr. Cleveland's second election we turn backward and downward as usual under the blighting, withering influence of a wrong policy, and in two years sheep decreased to 42,294,064 head, of the value of .....	66,685,767
A loss of 4,979,489 head and a loss in value of..	59,223,497

A shrinkage in two short years of nearly one-half!

## THE OTHER SIDE OF THE LEDGER.

Now, to exhibit the other side of the ledger. Here is a statistical table (I ask to have it incorporated in my remarks) which shows our importation of wool has increased to nearly triple, not in two years nor three years, but in the first ten months of this present year, ended October 31, 1895,



*Imports of wool (in pounds).*

	Ten months ending October—	
	1894.	1895.
Class 1.....	25,807,462	113,672,709
Class 2.....	2,841,422	16,731,985
Class 3.....	54,574,386	80,652,544
Total.....	83,223,270	211,057,238
Rags and waste.....	1,081,441	17,824,008

*Wool production, imports, consumption, and manufacture in the United States; also price of wool and value of sheep on farms, 1875 to 1900.*

[From the Statistical Abstract of the United States, 1903.]

Year ending June 30—*	Produc- tion.	Imports.	Per cent of con- sumption, foreign.	Value of imports of wool, and man- ufactures of.		Price of fine washed clothing, Ohio fleece, per pound.	Sheep on farms in the United States.†	
				Wool, raw.	Manufac- tures of wool.		Number.	Value.
	Pounds.	Pounds.		Dollars.	Dollars.	Cents.		Dollars.
1875....	181,000,000	54,901,760	22.1	11,071,259	44,609,704	48	33,783,600	94,320,652
1876....	192,000,000	44,642,836	18.3	8,247,617	33,209,800	45	35,935,300	93,666,318
1877....	200,000,000	42,171,192	19.3	7,156,944	25,701,922	48	35,804,200	80,892,683
1878....	208,250,000	48,449,079	16.9	8,363,015	25,230,154	35	35,740,500	80,603,062
1879....	211,000,000	39,005,155	14.2	5,034,545	24,355,821	41	38,123,800	79,023,984
1880....	232,500,000	128,131,747	34.9	23,727,650	33,911,093	46	40,765,900	90,230,537
1881....	240,000,000	55,964,236	17.3	9,703,968	31,156,426	43	43,569,899	104,070,759
1882....	272,000,000	67,861,744	19.0	11,096,050	37,361,520	42	45,016,224	106,595,954
1883....	290,000,000	70,575,478	18.7	10,949,331	44,274,952	39	49,237,291	124,366,335
1884....	300,000,000	78,350,651	20.6	12,384,769	41,151,583	35	50,626,626	119,902,706
1885....	308,000,000	70,596,170	18.0	8,879,923	35,776,559	33	50,360,243	107,960,650
1886....	302,000,000	129,084,958	28.9	16,746,081	41,421,319	35	48,322,331	92,443,867
1887....	285,000,000	114,038,030	27.4	16,424,479	44,902,718	32	44,759,314	89,872,839
1888....	269,000,000	113,558,753	28.9	15,887,217	47,719,393	31	44,544,755	89,279,922
1889....	265,000,000	126,487,729	31.8	17,974,515	52,564,942	33	42,599,079	90,640,369
1890....	276,000,000	105,431,285	27.0	15,264,083	56,582,432	33	44,336,072	100,659,761
1891....	285,000,000	129,303,648	30.8	18,231,372	41,060,080	31	43,421,136	108,397,440
1892....	294,000,000	148,670,652	33.1	19,688,108	35,565,879	29	44,938,365	116,121,290
1893....	303,153,000	172,433,838	35.7	21,064,180	38,048,515	23	47,273,553	125,909,260
1894....	298,057,384	55,152,585	14.2	6,107,438	19,439,372	19	45,048,017	89,186,110
1895....	309,748,000	206,033,906	40.0	25,556,421	38,539,890	18	42,294,064	66,685,767
1896....	272,474,708	230,911,473	45.9	32,451,242	53,494,400	18	38,298,783	65,167,735
1897....	259,153,251	350,852,026	57.8	53,243,191	49,162,992	27	36,818,643	67,020,042
1898....	266,720,684	132,795,202	32.8	16,783,692	14,823,771	28½	37,656,960	92,721,133
1899....	272,191,330	76,736,209	19.2	8,322,897	13,832,621	31	39,114,453	107,607,530
1900....	288,636,621	155,928,455	34.4	20,260,936	16,164,446	26½	59,756,718	178,072,476
1901....	302,502,328	103,583,505	24.9	12,529,881	14,583,306	25	62,039,091	164,446,091
1902....	316,341,032	166,576,966	34.1	17,711,788	17,384,463	28	63,964,876	168,315,750
1903....	287,450,000	177,137,796	37.8	22,152,961	19,546,385	32	51,630,144	133,530,099

†On October 1 of each year.

‡On January 1 of year named.

§Democratic and low tariff years.

NOTE.—The importations of wool and woolen goods in the fiscal year 1894 were held back to obtain the reduction in duties by the Wilson act, then pending, and which went into effect August 28, 1894.

The rich manifestations of our commercial power, our military and naval strength, great and splendid as they are, are not to be counted when compared with the moral and intellectual grandeur of our people.—Hon. C. W. Fairbanks, at Baldwin, Kas., June 7, 1901.

It is, of course, a mere truism that we want to use everything in our power to foster the welfare of our entire body politic. In other words, we need to treat the tariff as a business proposition, from the standpoint of the interest of the country as a whole, and not with reference to the temporary needs of any political party.—President Roosevelt at Minneapolis, April 4, 1903.

## BEET SUGAR.

The fact that about a hundred million dollars' worth of sugar is brought from abroad each year to meet the demands of the people of the United States, coupled with the belief that the production of this great sugar supply by our farmers is possible, renders proper a careful consideration of the effect of the recent legislation by which sugar from Porto Rico and the Hawaiian Islands is admitted free of duty, that from the Philippines at 25 per cent below, and that from Cuba at 20 per cent below the regular tariff rates. Will the absolute removal of all duty on sugar from Porto Rico and the Hawaiian Islands and the reduction of 25 per cent. on sugar from the Philippines and 20 per cent. on that from Cuba destroy the beet-sugar industry in the United States or work to its disadvantage? While it is a fact that the annexation of Hawaii and its organization as a Territory and customs district of the United States removed permanently all tariff on merchandise from those islands or passing into them from the United States, that fact made no change in the rates of duty on sugar from the islands, its only effect being to render absolutely permanent the conditions which had existed ever since the treaty of 1876, by which sugar from the Hawaiian Islands was admitted free on agreement that products of the United States should be admitted into the Hawaiian Islands free of duty, and that condition continued down to the annexation of Hawaii, when it was made permanent, as above indicated. In the case of Porto Rico all of the duty except 15 per cent. was removed by the act establishing the government for Porto Rico, and the remainder of that duty disappeared as soon as the Porto Rican government announced its ability to provide its own revenues. The reduction of 25 per cent in the rates of duty on merchandise from the Philippine Islands occurred March 8, 1902.

### EFFECT ON THE HOME PRODUCER.

All of these removals of duty on sugar from our own possessions have been in force a sufficient length of time to give opportunity to test their effect upon domestic sugar production. The quantity of sugar imported from Porto Rico increased from 86,607,317 pounds in the fiscal year 1897 to 201,247,040 pounds in the calendar year 1903. The sugar imports from the Hawaiian Islands have increased from 431,196,980 pounds in 1897 to 858,268,351 pounds in the calendar year 1903; and those from the Philippine Islands decreased from 72,463,577 pounds in the fiscal year 1897 to 65,348,247 pounds in the calendar year 1903—the reduction in imports of sugar being, of course, due to the destruction of plantations and machinery during the war. Thus the quantity of sugar imported from Porto Rico, Hawaii, and the Philippine Islands in 1903 was practically double that of 1897. The entire quantity of sugar brought into the United States in the calendar year 1903 amounted to 4,388,388,869 pounds. Of this total importation, 1,059,515,391 pounds came from Porto Rico and the Hawaiian Islands, and was absolutely free of duty, and this formed 24.5 per cent., or practically one-fourth, of the total; while that from the Philippine Islands, which amounted to 65,348,247 pounds, came in with a reduction of 25 per cent. of the regular duty and formed about 1½ per cent. of the total. Thus practically one-fourth of the sugar coming into the United States in 1903 was admitted absolutely free of duty from the Hawaiian Islands and Porto Rico. In 1897 the amount which came in free of duty from the Hawaiian Islands was 431,196,980 pounds, and this formed 8.9 per cent. of the total sugar importation of that year.

### INCREASE OF BEET SUGAR PRODUCTION SINCE THE ANNEXATION OF HAWAII AND PORTO RICO.

Here, then, is a fair basis upon which to determine the effect of the importation of sugar from our own possessions free of duty. In 1897 practically 9 per cent. of the sugar imported came in free of duty. In 1903 practically 25 per cent.

came in free of duty. If such free importation were likely to affect disadvantageously beet sugar production at home, an increase from 9 per cent. to 25 per cent. in the importations of free sugar would doubtless have made itself apparent by a reduction in the sugar production of the United States. But let us see what the beet sugar production of the country was in the two years in question—1897, when 9 per cent. of the sugar was imported free, and 1903 when 25 per cent. was imported free. The reports of the Department of Agriculture and Bureau of Statistics show that the beet sugar produced in the United States amounted in 1897 to 88,892,160 pounds. By 1899 it had increased to 141,230,160 pounds; by 1901 to 279,682,160 pounds; and in 1903 was 554,541,120 pounds. Here, then, is an increase of 524 per cent. in the beet sugar production of the United States during the very period in which free importation of sugar from Porto Rico was established and that from Hawaii made absolutely permanent by annexation and its establishment as a customs district of the United States, and in which period the quantity of sugar imported free of duty increased 150 per cent. If an increase of 150 per cent. in the quantity of sugar imported free of duty, coupled with absolute assurance that the sugar fields of Porto Rico and Hawaii are to have permanently free access to the markets of the United States, was accompanied by an increase of 524 per cent in the production of beet sugar at home, there seems little ground for any anxiety as to the effect of free sugar importation from our own territory in depressing beet sugar production at home.

#### CUBAN RECIPROCITY WILL NOT PROVE INJURIOUS.

Regarding the reduction of 20 per cent on sugar provided by the recent reciprocity agreement, the question of its effect upon beet sugar production in the United States was very thoroughly discussed in Congress before that body would agree to the reciprocity treaty. In the course of that debate Representative Charles L. Knapp, of New York, presented a series of tables relating to sugar importation, home production, and consumption, and said:

"While the exact effect cannot be foretold with mathematical accuracy, it can be foretold with exact certainty that after the reduction proposed on beet sugar that industry will still remain one of the most highly protected of all our industries, and it is a fair and reasonable assumption that such reduction will neither jeopardize nor injure the industry."

Representative McCall, of Massachusetts, who gave the subject careful attention before lending his support to the treaty, said:

"The effect upon the beet-sugar industry has caused alarm to those representatives from states largely interested in the manufacture of beet sugar. I do not think it is in a particle of danger. Suppose that the reduction proposed by this bill to 1.35 cents a pound on raw sugar should measure the entire protection that would exist upon sugar after the passage of this bill (and I feel confident that it will not) I think it is susceptible of demonstration that the protection will be substantially what it is at the present time. In testimony taken before the Committee on Ways and Means two years ago our collector at Habana, Mr. Bliss, testified that he had examined the returns from eight different plantations and found that the average cost of making sugar there and taking it to the port of shipment was 21-16 cents per pound. Mr. Atkins, a successful business man and sugar manufacturer, reached substantially the same conclusions. All the evidence that could be called evidence went to show that it cost the Cuban at least 2 cents a pound to make his raw sugar. Now, if you add to this the 1.35 cents (the duty) and to that you add the freight rate, insurance, and other charges, the Cuban cannot afford to sell his sugar in New York for less than three and about seven-eighths of a cent per pound. And it must after that be refined, so that a price would be reached at which it would clearly be profitable to make refined sugar here. Mr. Oxnard, who has been as much identified with the manufacture of beet sugar as any man in the United States, put forth a statement, after he had been engaged in that business nine years, to the effect that at 4 cents a pound and allowing the farmer \$4 a ton for his beets, there was then a profit of about 43 per cent. upon the cost of the material and labor employed, in selling the refined product at 4 cents a pound. Not a small profit by any means. As a matter of fact, he would get nearer 5 than 4 cents a pound. Is it not clear, therefore, that under this duty of 1.35 cents per pound, which is a specific duty equivalent to an ad valorem duty of nearly 80 per cent. including the freight, our beet sugar producers have nothing whatever to fear?",



## NO CAUSE FOR ALARM.

On this subject Representative James E. Watson, of Indiana, said in the House of Representatives on November 19, 1903:

"The cost of 100 pounds of Cuban sugar, f. o. b. at Habana, is \$2.00. The freight to New York is 9 cents per hundred pounds; the duty, after a 20 per cent. reduction, would be 1.348 cents. The cost of refining is known by all to be 0.625 cents for every 100 pounds, without any profit to the refiner. The freight to Chicago is 29 cents a hundred. So that to land 100 pounds of Cuban sugar already refined, in the market in Chicago, would cost exactly \$4.35 a hundred, and to land it in Kansas City would cost \$4.42 a hundred.

"H. M. Stewart, president of the Kalamazoo Sugar Company, when before the committee, made the following statement: 'The total cost per 100 pounds on refined beet sugar is \$4.682, which includes 5 per cent. interest on the capital invested and 7 per cent. annual depreciation; leaving out these two items the cost of each 100 pounds of refined sugar is \$4.011.' To this sum should be added 13 cents a hundred pounds, freight from Kalamazoo to Chicago, so that it would cost the Michigan producer \$4.14 to land 100 pounds of his product in the Chicago market, while it would cost \$4.35 for the Cuban planter to do the same thing.

"W. L. Churchill, president of the Bay City Beet Sugar Company, said: 'I can assure you that we will make sugar this year at a cost not to exceed \$2.60 or \$3.75 per 100 pounds.' Assuming that the freight rate is 13 cents per 100, it would cost that company not to exceed \$4.05 to lay down 100 pounds of its product in the Chicago market, as against \$4.35 for the Cuban planter, a difference in favor of the home product of 30 cents a hundred, a difference great enough to lift the Michigan grower above the possibility of harm from his dusky competitor.

"Francis K. Carey, president of the National Sugar Manufacturing Company, of Sugar City, Colo., said: 'I believe the cost of sugar in Colorado under normal conditions, which we will sooner or later have, surrounding our factory, ought not to be over 3 cents a pound. If I am mistaken in my belief I am free to admit that I have no standing before this committee and no right to ask for the protection of my industry.'

"Thomas R. Cutler, president of the Utah Sugar Company, shows that the beet sugar industry of Utah has nothing to fear from Cuban competition and gives the average cost to his company of refined sugar for five years as follows:

1897.....	\$4.51 per hundred.
1898.....	4.46 per hundred.
1899.....	3.55 per hundred.
1900.....	3.55 per hundred.
1901.....	3.42 per hundred.

The average cost of producing sugar for these five years was \$3.86 per hundred, and the average selling price, \$5.76, or a clear profit of \$1.90 per hundred.' Furthermore it may be said that even after the proposed reduction of 20 per cent., the rate on sugar will still be about 65 per cent., which is higher than the tariff rate on any import save alone tobacco, the average rate on all importations being a little under 49 per cent., so that there is no cause for undue alarm at the prospect of the passage of this bill."

Tables published on page 158 show the importation of sugar into the United States, the home production of various kinds of sugar, and the total home consumption for a term of years; also the quantity brought into the United States from Porto Rico, Hawaii, the Philippine Islands, and Cuba, respectively, from 1895 to 1903; also the total product of beet and cane sugar, respectively, in the world during a long term of years.

**Production of Cane and Beet Sugar in the Principal Producing Countries of the World for the Sugar Year 1903-4. \***

Countries.	Cane sugar production. Gross tons.	Countries.	Beet sugar production. Gross tons.
Java .....	886,000	Germany.....	1,936,500
Cuba .....	1,130,000	Austria .....	1,144,600
Hawaiian Islands.....	393,000	France.....	765,900
Brazil .....	277,000	Russia.....	1,142,400
Mauritius .....	175,000	Belgium.....	196,000
Australia .....	164,000	Holland.....	121,200
Louisiana .....	215,000	All other.....	586,400
All other.....	1,227,000		
Total.....	4,417,000	Total.....	5,893,000

\*Figures for cane sugar production taken from Willett and Gray's Sugar Trade Journal, April 21, 1904; figures for beet sugar production taken from Die Deutsche Zuckerindustrie, Berlin, April 29, 1904.

*Sugar imported, produced and consumed in the United States, and the growth of beet-sugar production in the United States.*  
[Compiled from the Statistical Abstract of the United States, and from estimates by Willett & Gray.]

Year.	Imports of sugar.		Per capita consumption.	Home production cane sugar.		Per cent of total consumption supplied by domestic factories.	Beet sugar factories in operation in the United States.		World's production of sugar.			Price per pound of sugar in New York.	
	Quantity.	Value.		Pounds.	Dollars.		No.	Product. (a)	Total.	Per cent beet.	Per cent cane.	Raw centrifugal.	Refined granulated.
1880.....	1,829,291,684	80,076,720	42.9	207,877,278	9.33	.....	.....	799,680	10,789,927,680	43.	57.	7.88	9.80
1881.....	1,946,745,205	86,670,624	44.2	283,302,899	12.05	.....	.....	1,408,960	11,674,579,830	48.	52.	7.62	9.70
1882.....	1,990,152,374	90,430,675	48.4	171,074,950	6.77	.....	.....	999,040	8,510,396,160	46.9	53.1	7.29	9.35
1883.....	2,137,667,665	91,637,992	51.1	318,746,258	11.67	.....	.....	1,200,640	9,531,357,440	50.5	49.5	6.79	8.65
1884.....	2,756,416,896	98,264,607	53.4	302,944,230	10.38	.....	.....	1,650,880	10,990,372,800	48.1	51.9	5.29	6.75
1885.....	2,717,884,653	72,519,514	51.8	225,962,963	7.82	.....	.....	1,344,000	11,510,320,640	49.5	50.5	5.19	6.53
1886.....	2,689,881,765	80,773,744	56.9	392,754,486	9.31	.....	.....	1,688,960	10,842,050,240	42.1	57.9	5.52	6.23
1887.....	3,136,443,240	78,411,244	52.7	191,282,272	6.13	.....	.....	571,200	12,397,380,800	49.3	50.7	5.38	6.02
1888.....	2,700,284,282	74,245,206	56.7	375,904,197	11.15	.....	2	3,673,600	11,754,971,200	46.7	53.3	5.93	7.89
1889.....	2,762,202,967	88,543,921	51.8	344,756,221	11.04	.....	2	5,376,000	12,002,603,000	52.0	48.0	6.57	7.18
1890.....	2,934,011,560	96,094,532	52.8	305,766,271	9.44	.....	3	6,272,000	14,265,675,200	57.6	42.4	5.57	6.27
1891.....	3,483,477,222	105,728,216	66.3	497,169,856	12.04	.....	6	12,096,000	14,964,250,560	55.3	44.7	3.92	4.65
1892.....	3,556,509,165	104,408,813	63.3	370,579,307	11.66	.....	6	26,920,320	14,819,907,200	52.2	47.8	3.32	4.35
1893.....	3,776,445,347	116,255,784	64.4	463,268,627	13.21	.....	6	43,792,000	14,244,863,360	53.5	46.5	3.69	4.84
1894.....	4,345,193,881	126,871,889	66.7	610,825,618	14.50	.....	5	45,006,080	26,302,787,200	52.8	47.2	3.24	4.12
1895.....	3,574,510,454	76,462,836	63.4	729,392,561	18.18	.....	6	65,452,800	18,431,632,320	57.6	42.4	3.23	4.13
1896.....	3,896,338,557	89,219,773	62.5	543,633,726	14.45	.....	7	84,080,640	16,252,409,600	59.1	40.9	3.62	4.53
1897.....	4,918,905,733	99,066,181	64.8	644,175,323	16.91	.....	9	90,493,760	17,468,511,360	63.5	36.5	3.56	4.50
1898.....	2,689,920,851	60,472,749	61.5	707,951,878	14.67	.....	15	72,735,040	17,347,915,200	62.9	37.1	4.24	4.97
1899.....	3,980,250,569	94,964,120	62.6	557,657,417	11.23	.....	31	163,394,560	17,896,574,080	62.8	37.2	4.22	4.92
1900.....	4,018,086,530	100,250,974	65.2	334,187,832	12.16	.....	34	172,164,160	18,670,274,560	66.3	33.7	4.57	5.32
1901.....	3,975,005,840	90,487,800	68.7	612,034,090	18.55	.....	39	365,402,240	22,039,722,080	62.5	37.5	4.05	5.05
1902.....	3,031,915,875	55,061,097	72.8	695,775,500	18.45	.....	44	437,837,120	24,645,663,840	62.9	37.1	3.54	4.46
1903.....	4,216,108,106	22,088,973	71.1	657,209,770	22.24	.....	53	466,222,400	22,153,108,160	58.1	41.9	3.72	4.64

a. Figures of beet sugar production relate to the crop year following.  
NOTE.—Six new beet sugar factories are building, with capacity of 3,100 tons (beets) daily

*World's supply of beet and cane sugar, from 1840 to 1904.*

Years.	Beet sugar (tons.)	Cane sugar (tons.)	Total sugar (tons.)	Per cent supplied by beet.
1840.....	50,000	1,100,000	1,150,000	4.35
1850.....	200,000	1,200,000	1,400,000	14.29
1860.....	389,000	1,510,000	1,899,000	20.43
1870.....	831,000	1,585,000	2,416,000	34.40
1871-72.....	1,020,000	1,599,000	2,619,000	36.65
1872-73.....	1,210,000	1,793,000	3,003,000	40.29
1873-74.....	1,288,000	1,840,000	3,128,000	41.17
1874-75.....	1,219,000	1,712,000	2,931,000	41.59
1875-76.....	1,343,000	1,590,000	2,933,000	45.79
1876-77.....	1,045,000	1,673,000	2,718,000	38.44
1877-78.....	1,419,000	1,825,000	3,244,000	43.75
1878-79.....	1,571,000	2,010,000	3,581,000	43.87
1879-80.....	1,402,000	1,852,000	3,244,000	43.22
1880-81.....	1,748,000	1,911,000	3,659,000	47.77
1881-82.....	1,782,000	2,060,000	3,842,000	46.38
1882-83.....	2,147,000	2,107,000	4,254,000	50.47
1883-84.....	2,361,000	2,323,000	4,684,000	50.40
1884-85.....	2,545,000	2,351,000	4,896,000	51.98
1885-86.....	2,223,000	2,339,000	4,562,000	48.73
1886-87.....	2,733,000	2,345,000	5,078,000	53.82
1887-88.....	2,451,000	2,465,000	4,916,000	49.86
1888-89.....	2,725,000	2,263,000	4,988,000	54.63
1889-90.....	3,633,000	2,069,000	5,702,000	63.71
1890-91.....	3,710,000	2,555,000	6,265,000	59.22
1891-92.....	3,501,000	2,852,000	6,353,000	55.10
1892-93.....	3,428,000	3,045,000	6,473,000	52.96
1893-94.....	3,890,000	3,490,000	7,380,000	52.71
1894-95.....	4,792,000	3,530,000	8,322,000	57.58
1895-96.....	4,315,000	2,830,000	7,155,000	58.91
1896-97.....	4,954,000	2,864,000	8,818,000	56.18
1897-98.....	4,872,000	2,898,000	7,770,000	62.70
1898-99.....	4,977,000	2,995,000	7,973,000	62.42
1899-1900.....	5,510,000	2,904,000	8,414,000	65.48
1900-01.....	6,066,939	3,638,428	9,705,367	62.5
1901-02.....	6,923,482	4,079,046	11,002,528	62.9
1902-03.....	5,747,630	4,124,329	9,889,959	58.1
1903-04.....	6,058,135	4,294,619	10,352,754	58.4

**I am opposed to free trade because it degrades American labor; I am opposed to free silver because it degrades American money.—Maj. Wm. McKinley to Homestead workingmen, Sept 12, 1896.**

**American wage-workers work with their heads as well as their hands. Moreover, they take a keen pride in what they are doing; so that, independent of the reward, they wish to turn out a perfect job. This is the great secret of our success in competition with the labor of foreign countries.—President Roosevelt, in message to Congress, Dec. 3, 1901.**

**Not only must our labor be protected by the tariff, but it should also be protected so far as it is possible from the presence in this country of any laborers brought over by contract, or of those who, coming freely, yet represent a standard of living so depressed that they can undersell our men in the labor market and drag them to a lower level.—President Roosevelt, in message to Congress, Dec. 3, 1901.**

**The Government should provide in its contracts that all work should be done under "fair" conditions, and in addition to setting a high standard should uphold it by proper inspection, extending, if necessary, to the subcontractors.—President Roosevelt, in message to Congress, Dec. 3, 1901.**

**The certain way of bringing great harm upon ourselves, without in any way furthering the solution of the problem, but, on the contrary, deferring indefinitely its proper solution, would be to act in a spirit of ignorance, of rancor, in a spirit which would make us tear down the temple of industry in which we live because we are not satisfied with some of the details of its management.—President Roosevelt at Fitchburg, Mass., Sept. 2, 1902.**

**I am President of all the people of the United States, without regard to creed, color, birthplace, occupation, or social condition. My aim is to do equal and exact justice as among them all.—President, Roosevelt, in a statement to executive council American Federation of Labor, Sept. 29, 1903.**



## PUBLIC LANDS.

### **President Roosevelt's Public Land Policy.**

President Roosevelt, more than any of his predecessors, has manifested an active interest and exercised a potent influence in endeavoring to establish and put into execution a wise public land policy, modified to meet existing conditions.

Much of the unparalleled development of the material resources of the United States in the past has been due to its liberal public land laws, chief among which is the homestead law, which was signed by President Lincoln in 1862. Under its beneficent provisions millions of settlers have established homes upon the public domain, and as a result the great West is to-day teeming with the industry of a thrifty people of good citizenship and many new stars have been added to the flag. But what was once a vast public domain—then thought to be almost inexhaustible—embracing an area of over eighteen hundred million acres, through the operation of the homestead and other land laws, enacted to meet conditions prevailing at a time when cultivable lands as well as timbered and grazing areas were abundant, was materially decreased until the remaining public domain, exclusive of Alaska, now embraces less than five hundred million acres, a comparatively small portion of which is susceptible of cultivation without irrigation.

New conditions thus arose: the extravagant denuding of the timbered areas, the rapidly diminishing extent of the remaining public lands available for settlement, together with the increased demand for cultivable lands, accentuated by increased population, satisfactory industrial conditions, and revival of business in the last few years, rendered necessary and of the utmost importance, new legislation affecting the public lands, in order that the remaining forests and necessary timber supply might be duly protected, the necessary sources of water supply needed for the reclamation of the arid regions properly conserved, and the remaining public land available for settlement saved for disposal to the bona fide homemaker, under such circumstances and conditions as would enable the same to be reclaimed and thereby rendered capable of its largest beneficial use. In recognition of this, the Congress passed the act of March 3, 1891, authorizing the creation of forest reserves, under which there have since been created fifty-six reserves, aggregating over 63,000,000 acres of land. The establishment of necessary forest reserves having become a well-fixed part of our national policy, the aid of the government in reclaiming the arid lands of the West and rendering the same available for settlement and cultivation was essential, as a necessary complement to this policy.

### **IRRIGATION.**

Although there had been more or less discussion for years as to the necessity for national aid in irrigation, nothing effective was accomplished until Theodore Roosevelt became President. He was quick to recognize not only the necessity, but also the national importance of such policy, together with the benefits to accrue to the people therefrom.

President Roosevelt, in his first message to Congress, took a strong advanced position in favor of great storage works to save the flood waters and to equalize the flow of streams, maintaining that this work should be carried on by the National Government and not by private efforts. He declared that it was as right for the National Government to make the streams and rivers of the arid region useful by engineering works for water storage as to make useful the rivers and harbors of the humid region by engineering works of another kind. He took the position that the Government should construct and maintain these reservoirs as it does other public works, and that the lands reclaimed by aid of irrigation should be reserved by the Government for actual

settlers. The cost of construction should, so far as possible, be repaid by the land reclaimed. He declared that the reclamation and settlement of the arid lands will enrich every portion of our country, as the settlement of the Ohio and Mississippi valleys brought prosperity to the Atlantic States.

#### NATIONAL RECLAMATION LAW.

Congress enacted the national reclamation law June 17, 1902, and it is considered the most beneficent public land law passed since the enactment of the homestead law. The passage of this law was due largely to the previous recommendation of the President after he had lent the weight of his influence to the perfecting of its provisions in the interest of the actual settler and to the exclusion of the speculator.

Realizing that the passage of the reclamation act emphasized the importance of saving the public lands for the home-builder, the President devoted particular attention thereto in his second message, declaring that "so far as they are available for agriculture, and to whatever extent they may be reclaimed under the national irrigation law, the remaining public lands should be held rigidly for the homebuilder, the settler who lives on his land, and for no one else."

The President in this message also directed attention as to the best manner of using public lands in the West which are suitable chiefly, or only, for grazing, and he commended this matter to the earnest consideration of Congress, recommending, if the latter experienced any difficulty in dealing with the subject from lack of knowledge, that provision be made for a commission of experts specially to investigate and report upon the same. Subsequently, a commission was appointed by the President, which has already submitted a partial report, making sundry recommendations for the modification of existing land laws in the interest of actual settlers. This report the President submitted to the favorable consideration of Congress.

Under the provisions of the reclamation act over \$20,000,000 have already been covered into the Treasury of the United States to the credit of the reclamation fund, derived from the sales of public lands and fees and commissions in the several States and Territories affected by that act, and more than 33,000,00 acres of public land have been withdrawn for reclamation purposes with a view to determining the feasibility of contemplated projects. Sixty-seven projects in fourteen different States and Territories have been under consideration and examination, and the work of actual construction has been commenced on eight of these

President Roosevelt, by reason of his intimate association with Western people, his actual experience in that section of the country, and accurate knowledge of the prevailing conditions in the public land states, is exceptionally well qualified to properly judge of the requisite needs of that part of the country and has exercised a forceful influence toward the perfecting of a wise, discriminating, up-to-date public land policy, and when so perfected will see to it that the same is carefully and properly administered. Such a policy, perhaps, more than any other single consideration, is essential to the prosperity of the West and the happiness of its people, will add to the material wealth and development of the whole country, and should commend itself to every thoughtful citizen.

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**"The Policy of Washington is the policy of the Republican party."—Cullom.**

**"The safety and interest of the people require that they should promote such manufactures as tend to render them independent of others."—Washington.**

**"No men living are more worthy to be trusted than those who toil up from poverty; none less inclined to take or touch aught which they have not honestly earned."—Lincoln.**

**"The American system of locating manufactories next to the plow and the pasture has produced a result noticeable by the intelligent portion of all commercial nations."—Grant.**



## IRRIGATION FOR ARID AND SEMIARID LANDS.

Irrigation for the arid and semiarid lands of the United States has never had a firmer and more vigorous supporter in public life than President Roosevelt. During the decade before he became President the subject of national irrigation had been under discussion and there was growing throughout the country a sentiment in favor of national action of some character upon this subject. There was, however, wide diversity of opinion as to the method to be employed, and this very condition of diverse opinions reduced the probability of national action. When Mr. Roosevelt became President, however, knowing conditions in the great West as he did, and knowing the benefits which would accrue to it from systematic work in behalf of irrigation, he consulted with the men who had been working for national irrigation, discussed conditions with them and told them of his belief in action by the National Government and his intention to make irrigation one of the topics of his first message to Congress. No President of the United States had ever before mentioned irrigation in a message.

The following are extracts from his discussion of this subject in his first message to Congress, December 3, 1901:

The forests alone can not, however, fully regulate and conserve the waters of the arid region. Great storage works are necessary to equalize the flow of the streams and to save the flood waters. Their construction has been conclusively shown to be an undertaking too vast for private effort, nor can it be best accomplished by the individual States acting alone. Far-reaching interstate problems are involved, and the resources of single States would often be inadequate. It is properly a national function, at least in some of its features. It is as right for the National Government to make the streams and rivers of the arid region useful by engineering works for water storage as to make useful the rivers and harbors of the humid region by engineering works of another kind. The storing of the floods in reservoirs at the headwaters of our rivers is but an enlargement of our present policy of river control, under which levees are built on the lower reaches of the same streams.

The Government should construct and maintain these reservoirs as it does other public works. Where their purpose is to regulate the flow of streams the water should be turned freely into the channels in the dry season to take the same course under the same laws as the natural flow.

The reclamation of the unsettled arid public lands presents a different problem. Here it is not enough to regulate the flow of streams. The object of the Government is to dispose of the land to settlers who will build homes upon it. To accomplish this object water must be brought within their reach.

The pioneer settlers on the arid public domain chose their homes along streams from which they could themselves divert the water to reclaim their holdings. Such opportunities are practically gone. There remain, however, vast areas of public land which can be made available for homestead settlement, but only by reservoirs and main-line canals impracticable for private enterprise. These irrigation works should be built by the National Government. The lands reclaimed by them should be reserved by the Government for actual settlers, and the cost of construction should, so far as possible, be repaid by the land reclaimed. The distribution of the water, the division of the streams among irrigators, should be left to the settlers themselves, in conformity with the State laws and without interference with those laws or with vested rights. The policy of the National Government should be to aid irrigation in the several States and Territories in such manner as will enable the people in the local communities to help themselves and as will stimulate needed reforms in the State laws and regulations governing irrigation.

The reclamation and settlement of the arid lands will enrich every portion of our country, just as the settlement of the Ohio and Mississippi valleys brought prosperity to the Atlantic States. The increased demand for manufactured articles will stimulate industrial production, while wider home markets and the trade of Asia will consume the larger food supplies and effectually prevent western competition with eastern agriculture. Indeed, the products of irrigation will be consumed chiefly in upbuilding local centers of mining and other industries, which would otherwise not come into existence at all. Our people as a whole will profit, for successful home making is but another name for the upbuilding of the nation.

The necessary foundation has already been laid for the inauguration of the policy just described. It would be unwise to begin by doing too much, for a great deal will doubtless be learned, both as to what can and what cannot be safely attempted, by the early efforts, which must of necessity be partly experimental in character. At the very beginning the Government should make clear, beyond shadow of doubt, its intention to pursue this policy on lines of the broadest public interest. No reservoir or canal should ever be built to satisfy selfish personal or local interests, but only in ac-



cordance with the advice of trained experts, after long investigation has shown the locality where all the conditions combine to make the work most needed and fraught with the greatest usefulness to the community as a whole. There should be no extravagance, and the believers in the need of irrigation will most benefit their cause by seeing to it that it is free from the least taint of excessive or reckless expenditure of the public moneys. \* \* \*

The direct result of his action was the passage of the reclamation act.

The reclamation act sets aside the proceeds of the disposal of public lands in thirteen Western States and three Territories for national irrigation. The fund thus created is placed at the disposal of the Secretary of the Interior for surveys, examination, and construction of works. It is not a donation, but the money must ultimately be returned to the Treasury by the persons benefited, to be used over again in the construction of other works.

#### General Irrigation Statistics.

The following table, prepared by the Census Office, gives, by regions, the number of farms on which irrigation was reported, the number of acres irrigated, the construction cost of the irrigation systems, the average construction cost per irrigated acre, and the number of miles of main canals and ditches for continental United States in 1902:

*Table I.—General irrigation statistics of the United States, 1902.*

Regions.	Number of farms irrigated.	Number of acres irrigated.	Cost of construction.		Length of main ditches in miles.
			Total.	Per acre irrigated.	
The United States.....	134,036	9,487,077	\$93,320,452	\$9.84	59,243
Arid States and Territories	122,156	8,471,641	77,430,212	9.14	54,243
Semi-arid States and Territories .....	7,021	403,449	5,105,390	12.65	3,472
Rice States .....	4,179	606,199	10,195,992	16.82	1,528
Humid States .....	680	5,788	588,858	101.74	....

The number of irrigated farms increased from 110,556 in 1899 to 154,036 in 1902, or 21.2 per cent. The irrigated area increased during the same period from 7,782,188 acres to 9,487,077 acres, or 21.9 per cent. For the three years this is an average annual increase in number of irrigated acres of 568,296 acres.

In 1902 the total construction cost of the necessary head gates, dams, main canals, and ditches, wells, reservoirs, and pumping plants was \$93,320,452, an increase since 1899 of \$21,797,672, or 30.5 per cent. This is equivalent to an annual expenditure of more than seven and a quarter millions of dollars for the construction, extension, and improvement of irrigation systems. The average first cost of water for irrigation throughout the United States increased from \$9.19 per irrigated acre in 1899 to \$9.84 in 1902. This naturally follows because in many of the States practically all of the easily available water supply was appropriated long ago, and methods required for its further development must be increasingly expensive. In 1902, the aggregate mileage of main canals and ditches would encircle the earth more than twice, the combined length being 59,243 miles.

#### The Arid Region.

*Table II.—General irrigation statistics of the arid States and Territories, 1902.*

States and Territories.	Number of farms irrigated.	Number of acres irrigated.	Cost of construction.		Length of main ditches in miles.
			Total.	Per acre irrigated.	
Arizona.....	3,867	247,250	\$4,688,298	\$18.96	1,783
California.....	30,404	1,708,720	23,772,157	13.91	7,010
Colorado.....	19,806	1,754,761	14,769,561	8.42	10,209
Idaho.....	10,077	715,595	6,190,071	8.67	5,640
Montana.....	9,496	1,140,694	5,576,975	4.89	8,765
Nevada.....	2,260	570,001	1,706,212	2.99	3,054
New Mexico.....	9,285	254,945	4,301,915	16.37	2,846
Oregon.....	5,133	439,981	2,089,609	4.75	3,653
Utah.....	21,684	713,621	7,303,607	10.23	3,891
Washington.....	4,585	154,962	2,330,758	15.04	1,095
Wyoming.....	5,559	773,111	4,701,049	6.08	6,297
Total.....	122,156	8,471,641	77,430,212	9.14	54,245

While conditions in 1902 were somewhat below the average in many portions of the arid region, in each of the nine States and two territories comprising it irrigation made considerable progress during the three years ending with 1902. In that year the irrigated area of the entire region aggregated 8,471,641 acres, an increase since 1899 of 1,208,368, or 16.6 per cent. In number of farms the increase is even greater, being from 102,819 farms in 1899 to 122,156 in 1902, or 18.8 per cent. The total construction cost of the irrigation systems was \$77,430,212 as compared with \$64,289,601 in 1899, an increase of \$13,140,611, or 20.4 per cent. The average first cost of water per acre was \$9.14 and the combined length of main canals and ditches, 54,243 miles.

Of these States and Territories, California ranks first in number of irrigated farms, Utah second, and Colorado third. In total irrigated area Colorado stands first, California second, and Montana third.

#### Semiarid Region.

*Table III.—General irrigation statistics of the semiarid States and Territories, 1902.*

States and Territories.	Number of farms irrigated.	Number of acres irrigated.	Cost of construction.		Length of main ditches in miles.
			Total.	Per acre irrigated.	
Kansas.....	1,115	28,922	\$599,098	\$20.71	366
Nebraska.....	2,952	245,910	2,463,748	10.02	1,861
North Dakota.....	102	10,384	45,087	4.34	66
Oklahoma.....	134	3,328	36,770	11.05	89
South Dakota.....	696	53,137	381,569	7.18	426
*Texas.....	2,022	61,768	1,579,118	25.57	664
Total.....	7,021	403,449	5,105,390	12.65	3,472

\*Exclusive of rice irrigation.

Portions of Kansas, Nebraska, North and South Dakota, Oklahoma, and Texas extend into the semiarid region which lies eastward from the base of the Rocky Mountains. In 1902, the area to which water was artificially applied was 403,449 acres, representing 7,021 farms. There were 2,946 irrigation systems in operation, the construction cost of which was \$5,105,390, an average first cost of water of \$12.65 per irrigated acre. The increase since 1899 in the number of irrigated farms is 43.4 per cent.; in irrigated area, 52.6 per cent., and in total construction cost, 76.5 per cent.

Of these six political divisions Nebraska, with 2,952 farms having an irrigated area of 245,910 acres and systems representing a construction outlay of \$2,463,748, stands first, while Texas, with rice farms excluded, stands second, having 2,022 farms with an irrigated area of 61,768 acres and systems costing \$1,579,118.

The true welfare of the nation is indissolubly bound up with the welfare of the farmer and the wage-worker—of the man who tills the soil, and of the mechanic, the handicraftsman, the laborer. If we can insure the prosperity of these two classes we need not trouble ourselves about the prosperity of the rest, for that will follow as a matter of course.—Vice-President Roosevelt at opening of Pan-American Exposition, May 20, 1901.

We are now in a condition of prosperity unparalleled not merely in our own history, but in the history of any other nation. This prosperity is deep rooted and stands on a firm basis because it is due to the fact that the average American has in him the stuff out of which victors are made in the great industrial contests of the present day, just as in the great military contests of the past, and because he is now able to use and develop his qualities to best advantage under our well-established, economic system.—President Roosevelt at Minneapolis, April 4, 1903.

The prosperity of any of us can best be attained by measures that will promote the prosperity of all.—Vice-President Roosevelt at Buffalo, May 20, 1901.

## RURAL FREE DELIVERY.

### **The Creation of Republican Congress and Executive—Democratic Officials, Including President Cleveland, Opposed it and Refused to establish it After Congress Had Appropriated Money for That Purpose.**

Rural free delivery is the creation of the Republican party in Congress and in the Executive Departments. It was first proposed by Postmaster-General Wanamaker during the Administration of President Harrison, was coldly received and discouraged by President Cleveland and his executive officers, was revived and put into active operation under President McKinley and the Republican Congress elected with him, and has been encouraged and greatly developed by President Roosevelt and the Congress and Executive Departments during his Administration. The history of its development, of the support which it received from Republicans and the opposition by Democrats is well told in the following extracts from debates in the House of Representatives.

### **The Democratic Attitude Toward Rural Free Delivery.**

Hon. Charles F. Scott, of Kansas, in discussing the subject in December, 1903, said:

The first reference which I find to this system appears in the report of the Hon. John Wanamaker, Postmaster-General during the Harrison Administration. The recommendation which was made by Postmaster-General Wanamaker, and to which I have just alluded, was followed up by the Administration and resulted in an appropriation for experiments in the direction suggested. These experiments in the first place were in the nature of extending free delivery to villages and small towns. At the close of the Harrison Administration the experiments which had been set on foot under the direction of Mr. Wanamaker were proceeding with great satisfaction to the country and to the people, and propositions had been made to extend these systems still further so as to reach out into the rural regions.

That was the situation which prevailed when a Democratic Administration, the second Cleveland Administration, came into power. Referring to this matter, the First Assistant Postmaster-General under that Administration made the following report. After having discussed in a discouraging way the entire system, he says:

"It would require an appropriation of at least \$20,000,000 to inaugurate a system of rural free delivery throughout the country."

Following the recommendation of the First Assistant, the Postmaster-General, Bissell, incorporated the following in his annual report:

"Although it was provided by Congress in the appropriation bill for the fiscal year ending June 30, 1894, that \$10,000 should be devoted, at the discretion of the Postmaster-General, to testing the feasibility of establishing a system of free delivery in rural districts, it has been found impossible, by reason of the pressure of more important questions, for the officers having that subject in charge to give the matter the study and consideration that it demands, much less to establish such rural free delivery. It was soon discovered, furthermore, that the appropriation for this experiment is not at all sufficient for thorough and reliable tests, for in order to give the rural free-delivery system a fair and thorough trial tests would have to be made in many localities differing necessarily in density of population, topography, class of interests, condition of highways and thoroughfares. To inaugurate a system of rural free delivery it would require an appropriation of at least \$20,000,000."

He then refers to the report of his First Assistant, and indorses the recommendation made there that the attempt be not made.

The next official reference which I find to this matter appears in the second report of William L. Wilson as Postmaster-General, in which he says, referring to the appropriation which had been made in the preceding year and which he had not used:

"Should Congress see fit to make it available for the current year I will make the experiment ordered, by the best tests I can devise, but the difficulties in the way of such experiments and the reasons for viewing the whole plan as impracticable are fully set forth in the report of the House committee on the postoffice appropriation bill, second session of the Fifty-third Congress."

It will be seen, therefore, that Mr. Cleveland's Postmaster-General after two years of study and reflection upon the subject, after having absolutely refused to use the money which Congress placed at his disposal for this purpose, gave it as his opinion that the whole plan was impracticable and should be abandoned.



The next official allusion to this matter to which I wish to call the attention of the House appears in the message of President Cleveland to Congress, under date of December 4, 1893. Referring to the matter of free rural delivery he says:

"I am decidedly of the opinion that the provisions of the present law permit as general an introduction of this feature of mail service as is necessary or desirable, and that it ought not to be extended to smaller communities than are now designated."

I next call attention to a single sentence from the annual message of the following year, by President Cleveland, in which he says:

"The estimated cost of rural free delivery generally is so very large that it ought not to be considered in the present condition of affairs."

Thus dismissing it with a wave of the hand as an utterly impracticable scheme by reason of the vast expense that would be involved.

It appears, therefore, that a Democratic Postmaster-General, the Democratic chairman of the Committee on the Post-Office and the Post-Roads, and a Democratic President all united in agreeing that the establishment of free rural delivery was an impracticable proposition.

### **Republican Attitude Toward Rural Free Delivery.**

Hon. J. H. Davidson, of Wisconsin, contrasting the attitude of the Republican party with that of the Democrats on this subject, said in the House of Representatives on April 20, 1904:

Under President McKinley's first Administration a number of routes were established and a thorough test made. Since then each annual report submitted by the head of the Post-Office Department has made special reference to this service, to its development, and to the benefits accruing to the people through its establishment.

Postmaster-General Gary, in his annual report, in speaking of rural free delivery, used the following language:

"It would be difficult to point to any like expenditure of public money which has been more generously appreciated by the people or which has conferred greater benefits in proportion to the amount expended. In every instance the introduction of the service has resulted in an increase in the amount of mail matter handled. There is no doubt of the desire, wherever the system has been tried, that it should be made permanent."

Postmaster-General Smith, in referring to this service, said: "The benefits accruing from the extension of postal facilities to the rural communities may be summarized as follows: Increased postal receipts, making many of the new deliveries almost immediately self-supporting. Enhancement of the value of farm lands reached by this service and better prices obtained for farm products through more direct communication with the markets and prompter information of their state. Improved means of travel, some hundreds of miles of country roads, especially in the Western States, having been graded specifically in order to obtain rural free delivery. Higher educational influences, broader circulation of the means of public intelligence, and closer daily contact with the great world of activity extended to the homes of heretofore isolated rural communities."

In 1900 the Postmaster-General spoke of rural free delivery as follows:

"The extraordinary extension of rural free delivery during the past two years has proved to be the most salient, significant, and far-reaching feature of postal development in recent times."

In 1901 the Postmaster-General, in speaking of the service, said:

"The policy of rural free delivery is no longer a subject of serious dispute. It has unmistakably vindicated itself by its fruits."

"Rural-delivery service has become an established fact. It is no longer in the experimental stage, and undoubtedly Congress will continue to increase the appropriation for this service until all the people of the country are reached where it is thickly enough settled to warrant it."

In 1900 President McKinley in his message to Congress, in speaking of the postal service, used language as follows:

"Its most striking new development is the extension of rural free delivery. \* \* \* This service ameliorates the isolation of farm life, conduces to good roads, and quickens and extends the dissemination of general information. Experience thus far has tended to allay the apprehension that it would be so expensive as to forbid its general adoption or make it a serious burden. Its actual application has shown that it increases postal receipts and can be accompanied by reduction in other branches of the service, so that the augmented revenues and accomplished saving together materially reduce the net cost."

In his first message to Congress President Roosevelt said:

"Among recent postal advances the success of rural free delivery wherever established has been so marked and actual experience has made its benefits so plain that the demand for its extension is general and urgent. It is just that the great agricultural population should share in the improvement of this service."

Again, in his last annual message, the President says:

"The rural free-delivery service has been steadily extended. The attention of Congress is asked to the question of the compen-

sation of the letter carriers and clerks engaged in the postal service, especially on the new rural free-delivery routes. More routes have been installed since the 1st of July last than in any like period in the Department's history. While a due regard to economy must be kept in mind in the establishment of new routes, yet the extension of the rural free-delivery system must be continued for reasons of sound public policy. No governmental movement of recent years has resulted in greater immediate benefit to the people of the country districts. Rural free-delivery, taken in connection with the telephone, the bicycle, and the trolley, accomplishes much toward lessening the isolation of farm life and making it brighter, and more attractive. In the immediate past the lack of just such facilities as these has driven many of the more active and restless young men and women from the farms to the cities, for they rebelled at loneliness and lack of mental companionship. It is unhealthy and undesirable for the cities to grow at the expense of the country; and rural free delivery is not only a good thing in itself, but is good because it is one of the causes which check this unwholesome tendency toward the urban concentration of our population at the expense of the country districts."

#### **Appropriation of \$20,000,000 for Rural Free Delivery**

The liberality of the Republican party in behalf of this very valuable service to the farmers is shown in the fact that the appropriation of the last session of Congress for rural free delivery was, in round terms, \$20,000,000. As to its value to the farming community Representative Arthur L Bates, of Pennsylvania, said in the House of Representatives March 15, 1904:

It is my belief that the \$21,000,000 appropriated in this behalf brings more direct benefit to the inhabitants of this Republic whom it affects than almost any other appropriation made by the General Government.

Forty years ago everyone went or sent to the Post-Office for his mail, and the farmer in the busy season, when his horses and teams were working in the fields, could sometimes only receive mail for himself and family possibly once a week—on Saturday afternoon. Now it is not only delivered several times daily at the homes and places of business of the inhabitants of more than a thousand cities, but for the last six months of the fiscal year (January 1 to June 30, 1903) there were delivered by the carriers of this service some 310,000,000 pieces of mail on rural routes throughout the United States to farmers and inhabitants of sparsely settled regions.

Increased facilities always bring increased use and enjoyment—more letters are written and received; more newspapers and magazines are subscribed for. While it is not true in every part of the country, yet the official report shows that quite a number of rural routes already pay for themselves by the additional revenues they occasion.

The testimony adduced from all over the country proves that by reason of rural free delivery the actual value of our farm lands has been increased. Many farmers state that they would not dispense with the service for \$50 or even \$100 per annum. It has been estimated that the value of farm lands has risen by this means as high as \$5 per acre in several States. A moderate benefit to the farm lands of the whole country would be from \$1 to \$3 per acre.

The producers, being brought into daily touch with the state of the markets and in better communication with those who buy their products, are able to obtain better prices for all that the farm produces. More definite knowledge of trade conditions is always of great advantage.

Good roads have been built and induced as an incentive for rural free-delivery establishment and to better encourage their maintenance.

Hon. Gilbert N. Haugen, of Iowa, said in the House April 23, 1904:

The Post-Office bill contained no item of greater importance than the \$20,180,000 for this service which is yet in its infancy. Four years ago not a single route was in operation in my district—very few in the United States—a service sidetracked, neglected, and abused under Democratic administration. After these seven years of fostering, nourishing, and friendly encouragement by a Republican Administration it has grown from a \$10,000 appropriation to over \$20,000,000. During the last fiscal year 48,954,390 pieces were collected and 390,428,128 pieces of mail were delivered by Uncle Sam's 15,119 carriers; 8,339 routes were investigated, of which 6,653 were established and 1,714 were rejected. On June 30, 1903, there were 15,119 routes in operation, an average number of 40 for each of the 386 Congressional districts. On that day there were 11,700 petitions for routes awaiting investigation, and on April 1, 1904, there were 22,537 rural free-delivery routes in operation, or an average of 59 for each Congressional district.

With the liberal appropriation made for this service for the coming year, before the next fiscal year ends we will have in operation more than 30,000 routes, extending the service to the fire-sides of more than 3,000,000 homes. We hope in the near future to extend the service to every country home where it is practical and possible, a recognition justly due a deserving people, the bone and sinew of our great Republic.

For figures on rural free delivery see chapter on work of the Post Office Department.



## TRUSTS AND INDUSTRIAL COMBINATIONS.

Existing industrial conditions are the natural results of the splendid courage and energy of the American people. Compare the condition of our country now with what it was when the Republican party first came into power. In that period of forty-four years we have learned how to produce and manufacture everything essential for civilized man; we have not only captured our home markets from the hands of Europe, but we have sent our products throughout the world; we have changed from a borrowing to a lending nation we have paid back the 2,140 millions which the balance of trade showed against us in 1876, and the net balance of trade in our favor is now 3,584 millions; that balance is increasing at the rate of 400 millions per year; we have bound our country together with railroads, well termed the arteries of the nation's body through which the blood of commerce flows; we have increased our wealth five-fold; we have made it possible for labor to have a bigger wage and more just share of profits than obtains in any other nation.

### **Great Economic Changes Have Occurred.**

In the doing of these things great economic changes have been necessary. Individual effort has given way to combined effort. The burden of enormous undertakings was too heavy for individuals; hence the formation of corporations, trade unions, all kinds of combinations of capital and labor. Throughout these changes inevitably hardships have been suffered, abuses have grown up, wrongs have been done. Primarily relief from such evils was sought from the State governments having jurisdiction thereof.

### **State Regulation Inefficient.**

Laws for the prevention, regulation, or suppression of trusts, monopolies, or combinations in restraint of trade have been passed in 36 States and two Territories. This great mass of legislation is for the most part highly penal; its purpose was to correct an industrial wrong by the infliction of severe punishments. Much of the legislation was as bad as the evils it was intended to destroy. It was enacted with honest intent, but in ignorance of real conditions.

On the other hand, there have been passed in many States laws of a directly opposite character. Some States permit—yes, encourage—the formation of corporations or combinations with unlimited powers, subject to no restraint or regulation—thus providing the very machinery for industrial despotism.

Hence the anomalous situation of a corporation chartered by one State doing legally therein things which, if it dared to do in an adjoining State, would render its officers liable to imprisonment and fine.

Both kinds of such extreme legislation are bad. On the one hand, the enforcement of a law which prohibits corporate enterprise because of the gross abuse of power by a few men, destroys legitimate enterprise as well. On the other hand, the State which grants unlimited powers to corporations, free from restriction and continued regulation, creates an agency that may, by industrial supremacy, become a menace to free institutions. As long as industries kept within State borders the National Government had no control over them.

### **Mr. Roosevelt's Views as Expressed in 1900.**

The efforts to correct abuses and to enact laws for the protection of the public against dishonesty and imposition have not been confined to either of the great political parties, but it is interesting to note that one of the ablest statements of the right rules of conduct for the investigation and correction of corporate abuses was made by President Roosevelt when he was governor



of New York. In his message to the New York Legislature on January 3, 1900, he said:

"It is almost equally dangerous either to blink at evils and refuse to acknowledge their existence or to strike at them in a spirit of ignorant revenge, thereby doing far more harm than is remedied."

"It is possible, by acting with wisdom, coolness and fearlessness, to apply a remedy which will wholly or in great part remove the evil while leaving the good behind. We do not wish to discourage enterprise. We do not desire to destroy corporations; we do desire to put them fully at the service of the State and the people."

"What remains for us to do, as practical men, is to look the conditions squarely in the face and not to permit the emotional side of the question, which has its proper place, to blind us to the fact that there are other sides. We must set about finding out what the real abuses are, with their causes, and to what extent remedies can be applied."

"To say that the present system of haphazard license and lack of supervision and regulation is the best possible is absurd. \* \* \* The man who by swindling or wrong-doing acquires great wealth for himself at the expense of his fellow, stands as low morally as any predatory mediaeval nobleman, and is a more dangerous member of society. Any law, and any method of construing the law, which will enable the community to punish him, either by taking away his wealth or by imprisonment, should be welcomed. Of course, such laws are even more needed in dealing with great corporations or trusts than with individuals. They are needed quite as much for the sake of honest corporations as for the sake of the public. The corporation that manages its affairs honestly has a right to demand protection against the dishonest corporation. We do not wish to put any burden on honest corporations. Neither do we wish to put any unnecessary burden of responsibility on enterprising men for acts which are immaterial; they should be relieved from such burdens, but held to a rigid financial accountability for acts that mislead the upright investor or stockholder, or defraud the public."

"The first essential is knowledge of the facts, publicity. Much can be done at once by amendment of the corporation laws so as to provide for such publicity as will not work injustice as between business rivals."

"The chief abuses alleged to arise from trusts are probably the following: Misrepresentation or concealment regarding material facts connected with the organization of an enterprise; the evils connected with unscrupulous promotion; overcapitalization; unfair competition, resulting in the crushing out of competitors who themselves do not act improperly; raising of prices above fair competitive rates; the wielding of increased power over the wage-earners. \* \* \* We should know authoritatively whether stock represents actual value of plants, or whether it represents brands or good will; or if not, what it does represent, if anything. It is desirable to know how much was actually bought, how much was issued free, and to whom; and, if possible, for what reason. \* \* \* In the next place this would enable us to see just what the public have a right to expect in the way of service and taxation."

"Where a trust becomes a monopoly the State has an immediate right to interfere. Care should be taken not to stifle enterprise or disclose any facts of a business that are essentially private; but the State for the protection of the public should exercise the right to inspect, to examine thoroughly all the workings of great corporations, just as is now done with banks, and wherever the interests of the public demand it it should publish the results of its examination. \* \* \* The first requisite is knowledge, full and complete."

#### **Became a National Question.**

However, this question could not remain a State one. Industry overleaped State boundaries; it became interstate and foreign commerce, and hence under the direct control of the National Government.

The States found themselves helpless to regulate or control agencies of interstate commerce. Under the Republican administration of Harrison, in 1890, a Republican Congress took definite action to provide a remedy for some of the trust difficulties by enacting the Sherman Anti-Trust Law—"An Act to protect trade and commerce against unlawful restraints and monopolies." Prosecutions under the act were attempted, but prior to the administration of President McKinley little of real value had been accomplished.

#### **What Has Been Done Since 1900.**

Mr. Root, in his speech at the Republican Convention on June 21, 1904, well stated the situation as follows:

"Four years ago the regulation by law of the great corporate combinations called 'trusts' stood substantially where it was when the Sherman anti-trust act of 1890 was passed."

"At every election the regulation of trusts had been the football of campaign oratory and the subject of many insincere declarations.

"Our Republican Administration has taken up the subject in a practical, sensible way as a business rather than a political question, saying what it really meant, and doing what lay at its hand to be done to accomplish effective regulation. The principles upon which the government proceeded were stated by the President in his message of December, 1902.

"After long consideration, Congress passed three practical statutes—on the 11th of February, 1903, an act to expedite hearings in suits in enforcement of the anti-trust act; on the 14th of February, 1903, the act creating a new Department of Commerce and Labor, with a Bureau of Corporations, having authority to secure systematic information regarding the organization and operation of corporations engaged in interstate commerce, and on the 19th of February, 1903, an act enlarging the powers of the Interstate Commerce Commission and of the courts, to deal with secret rebates in transportation charges, which are the chief means by which the trusts crush out their smaller competitors.

"The Attorney General has gone on in the same practical way, not to talk about the trusts, but to proceed against the trusts by law for their regulation. In separate suits fourteen of the great railroads of the country have been restrained by injunction from giving illegal rebates to the favored shippers, who, by means of them, were driving out the smaller shippers and monopolizing the grain and meat business of the country. The beef trust was put under injunction. The officers of the railroads engaged in the cotton-carrying pool, affecting all that great industry of the South, were indicted and have abandoned their combination. The Northern Securities Company, which undertook by combining in one ownership the capital stocks of the Northern Pacific and Great Northern railroads to end traffic competition in the Northwest, has been destroyed by a vigorous prosecution, expedited and brought to a speedy and effective conclusion in the Supreme Court under the act of February 11, 1903.

"The right of the Interstate Commerce Commission to compel the production of books and papers has been established by the judgment of the Supreme Court in a suit against the coal-carrying roads. Other suits have been brought and other indictments have been found, and other trusts have been driven back within legal bounds. No investment in lawful business has been jeopardized; no fair and honest enterprise has been injured; but it is certain that wherever the constitutional power of the National Government reaches, trusts are being practically regulated and curbed within lawful bounds, as they never have been before, and the men of small capital are finding in the efficiency and skill of the national Department of Justice a protection they never had before against the crushing effect of unlawful combinations."

Under President Roosevelt's administration there has been no frittering away of chances to enforce the laws because of fine-spun definitions of trusts. Attorney General Knox said at Pittsburgh, October 14, 1902:

"The people, by common consent, have denominated the great industrial and other corporations, now controlling many branches of commercial business, trusts. The technical accuracy of the term is unimportant, but, indeed, it is much more apt than might be supposed, when it is recalled that the essential difference between the old industrial trusts and the great corporations owning and controlling subsidiary ones is that in respect to the former the shares of independent corporations agreeing to act in harmony were lodged with a trustee who received the separate earnings and distributed them among the holders of trust certificates, while as to the latter a corporation is created to take over the title to the stock or properties of the constituent companies and issue its own shares as the evidence of interest in the combination. The corporation owner of corporations invokes specific legal authority from the legislature of the State under which it is created.

"The President, in his first message to Congress, said:

"There is a widespread, settled conviction in the minds of the American people that these trusts are, in many of their features and tendencies, hurtful to the general welfare. This springs from no spirit of envy or uncharitableness, nor lack of pride in the great industrial achievements that have placed the country at the head of the nations struggling for commercial supremacy. It does not rest upon a lack of intelligent appreciation of the necessity of meeting changing and changed conditions of trade with new methods, nor upon ignorance of the fact that combination of capital and effort to accomplish great things is necessary when the world's progress is demanding that great things be done. It is bottomed upon sincere conviction that combination and concentration, while not to be prohibited, are to be controlled, and in my judgment this conviction is right."

"These great combinations, now numbering thousands, are the instrumentalities of modern commercial activity. Their number and size alone appall no healthy American. We are accustomed to large things and to do them in a large way. We are accustomed to speak with a justifiable pride of our great institutions and what we have fairly accomplished through them. No right-thinking man desires to impair the efficiency of the great corporations as instrumentalities of national commercial development. Because they are great and prosperous is no sufficient reason for their de-



struction. If that greatness and prosperity are not the result of the defiance of the natural rights or recorded will of the people, there is no just cause of complaint.

"That there are evils and abuses in trust promotions, purposes, organizations, methods, management, and effects none questions except those who have profited by those evils. That all or any of these abuses are to be found in every large organization called a trust no one would assert who valued his reputation for sane judgment.

"The conspicuous noxious features of trusts existent and possible are these: Overcapitalization, lack of publicity of operation, discrimination in prices to destroy competition, insufficient personal responsibility of officers and directors for corporate management, tendency to monopoly, and lack of appreciation in their management of their relations to the people for whose benefit they are permitted to exist."

#### **President Roosevelt's Words on This Subject.**

The following utterances of President Roosevelt on this subject are clear-cut, honest, and practical expressions of the attitude of the Republican party:

"The first essential in determining how to deal with the great industrial combinations is knowledge of the facts—publicity. In the interest of the public the Government should have the right to inspect and examine the workings of the great corporations engaged in interstate business.

"The average man, however, when he speaks of the trusts, means rather vaguely all of the very big corporations, the growth of which has been so signal a feature of our modern civilization, and especially those big corporations which, though organized in one State, do business in several States, and often have a tendency to monopoly.

"In dealing with the big corporations which we call trusts, we must resolutely purpose to proceed by evolution and not revolution. \* \* \* The surest way to prevent the possibility of curing any of them is to approach the subject in a spirit of violent rancor, complicated with total ignorance of business interests and fundamental incapacity or unwillingness to understand the limitations upon all law-making bodies. No problem, and least of all so difficult a problem as this, can be solved if the qualities brought to its solution are panic, fear, envy, hatred, and ignorance. \* \* \* Corporations that are handled honestly and fairly, so far from being an evil, are a natural business evolution and make for the general prosperity of our land. We do not wish to destroy corporations, but we do wish to make them subserve the public good. All individuals, rich or poor, private or corporate, must be subject to the law of the land; and the Government will hold them to a rigid obedience thereof. The biggest corporation, like the humblest private citizen, must be held to strict compliance with the will of the people as expressed in the fundamental law. The rich man who does not see that this is in his interest is indeed short-sighted. When we make him obey the law we insure for him the absolute protection of the law.

"I think I speak for the great majority of the American people when I say that we are not in the least against wealth as such, whether individual or corporate; that we merely desire to see any abuse of corporate or combined wealth corrected and remedied. \* \* \* There is no proper place in our society either for the rich man who uses the power conferred by his riches to enable him to oppress and wrong his neighbors, nor yet for the demagogic agitator.

"The necessary supervision and control, in which I firmly believe as the only method of eliminating the real evils of the trusts, must come through wisely and cautiously framed legislation, which shall aim in the first place to give definite control to some sovereign over the great corporations, and which shall be followed, when once this power has been conferred, by a system giving to the Government the full knowledge which is the essential for satisfactory action. Then, when this knowledge—one of the essential features of which is proper publicity—has been gained, what further steps of any kind are necessary can be taken with the confidence born of the possession of power to deal with the subject, and of a thorough knowledge of what should and can be done in the matter.

"In the interest of the whole people the nation should, without interfering with the power of the States in the matter, itself also assume power of supervision and regulation over all corporations doing an interstate business.

"We are no more against organizations of capital than against organizations of labor. We welcome both, demanding only that each shall do right and shall remember its duty to the Republic. Such a course we consider not merely a benefit to the poor man, but a benefit to the rich man."

However, the Republican party and its leaders have not limited their dealings with this question to mere words, nor futile paper attacks upon offending corporations. Passive virtue is often as dangerous as active vice. This administration has taken vigorous action to make good its promises and carry out its policies.



### **Work of the Department of Justice in the Enforcement of Anti-Trust Laws.**

In no branch of the litigation for the Government has greater success been achieved than in the enforcement of the Sherman Anti-Trust law. The importance of the suits brought, the gravity of the questions involved, and the success attained render special mention appropriate.

Two great difficulties encountered in the past in the enforcement of the Sherman law were the lack of power to compel the giving of testimony and the production of documentary evidence in the form of books and paper—the evidences of violation of the law; and also the delays in pushing prosecutions to a speedy conclusion, which could be availed of by those against whom punishment was directed.

It thus being apparent that the law needed amendment to make it more effective, the Judiciary Committees of Congress, in December, 1902, called upon Attorney General Knox for an expression of his views as to the amendments which should be made to the law. In response thereto the Attorney-General made several recommendations. Among others, these:

(1) That the Interstate Commerce law should be so amended as to make the penalties prescribed for the granting of rebates, concessions, and discriminations apply to all carriers, whether an incorporated company or not, and to subject the recipient of the rebates, concessions, or discriminations to the same punishment as might be imposed upon the giver of them; that an act done or omitted to be done by an officer, agent, or employee of a carrier, which subjected such person to a penalty, should also be held to be the act of the carrier corporation and to subject the corporation to the same penalty as that imposed upon its officer, agent, or employee; to specifically confer upon the courts the authority to enjoin the granting or the receiving of rebates or concessions; and to make it unlawful for the common carrier to transport traffic for less than its published rate, and to subject to heavy penalties all who participate in such a transaction.

(2) That a Commission be created, with the power and duty, among other things, to make diligent and thorough investigation into the operations and conduct of all corporations, combinations and concerns engaged in interstate and foreign commerce; vesting in the Commission the authority, in making investigations, to compel the giving of testimony, the production of books and papers, and the making of such reports upon such matters as the Commission may desire information; and to gather such data and information as will enable it to make specific recommendation for additional legislation for the regulation of such commerce.

(3) That an act be passed to expedite the hearing and determination of cases under the Anti-Trust and the Interstate Commerce acts, by providing that whenever the Attorney-General shall file in any court in which a case under such laws is pending a certificate that the case involves important questions and the public interests demand a speedy hearing, it shall thereupon be the duty of the court, a full bench sitting, to proceed with the hearing and determination of the case at as early a date as is practicable; and that from a decision of the trial court an appeal may only be taken direct to the Supreme Court and that within a very limited time.

In response to these suggestions, Congress promptly enacted the following legislation:

(1) On February 11, 1903 (32 Stat., 823), an act to expedite the hearing and determination of suits under the Anti-Trust and the Interstate Commerce Acts. The act provides that whenever the Attorney-General shall file with the clerk of the court in which such a suit is pending a certificate that the case is of public importance, it shall thereupon be the duty of the court, not less than three of the judges sitting, to proceed to hear and determine the case at the earliest practicable day. An appeal from the decision of the trial court will lie only to the Supreme Court and must be taken within sixty days from the entry of the final decree.

(2) On February 14, 1903 (32 Stat., 825, 827), by section 6 of the act creating the Department of Commerce and Labor, there

was created a bureau called the "Bureau of Corporations," at the head of which was placed a Commissioner. Authority and power was vested in the Commissioner to make diligent investigation into the organization, conduct, and management of the business of all corporations, joint stock companies, and corporate combinations engaged in interstate or foreign commerce (excepting common carriers subject to the Interstate Commerce Law), and to gather such information and data as will enable the President to make recommendations to Congress for additional legislation; and to compel the giving of testimony, and the production of such books and papers, and the making of such reports as may be necessary for the purposes of the investigation.

(3) On February 19, 1903, Congress passed what is commonly known as the "Elkins Law" (32 Stat., 847), which amended the Interstate Commerce Law in several important particulars.

That act provides that anything done or omitted to be done by a corporation common carrier, subject to the act, which, if done by an officer, agent, or employee thereof would constitute a misdemeanor under the law, shall also be held to be a misdemeanor committed by such corporation, and subjects the corporation to like penalties;

Requires every common carrier subject to the law to publish its tariff rates or charges and to maintain them; and for a failure to do so subjects the corporation to a fine of from \$1,000 to \$20,000 for each offense;

Declares it to be unlawful for any person or corporation to offer, grant, or give, or to solicit, accept, or receive any rebate, concession, or discrimination in respect of the transportation of any property in interstate or foreign commerce, whereby such property shall by any device whatever be transported at a less rate than that named in the tariffs published by the carrier, and for a violation of this provision subjects the person and the corporation to a fine of from \$1,000 to \$20,000;

Makes the rate published and filed with the Interstate Commerce Commission the legal rate, and every departure from it is to be deemed an offense under the act;

Expressly declares that a prosecution instituted by the Government under this act shall not exempt the offending carrier from suits to recover damages by any party injured, as provided in the former acts;

Requires the production, in any proceeding, of all books and papers, both by the carrier and the shipper, which directly or indirectly relate to the transaction charged against the carrier, and the giving of testimony, whether such books, papers, or testimony may tend to criminate the party or not; but exempts the party so compelled to testify, or to produce any books or papers, from any prosecution or penalty on account of any transaction, matter, or thing concerning which he may be compelled to testify or produce evidence;

And authorizes the expediting and hearing of any suit brought thereunder, as provided in the act of February 11, 1903 (32 Stat., 823), for the hearing and determination of suits under the Anti-Trust law.

(4) On February 25, 1903 (32 Stat., 854, 903), appropriated \$500,000 for the purpose of enforcing the provisions of the Anti-Trust law, and vested in the Attorney-General the authority to employ special counsel and agents of the Department of Justice to conduct proceedings, suits, and prosecutions under that act; and exempts from prosecution or penalty any person compelled to testify, or to produce evidence, in any suit or proceeding under that law.

(5) The act of March 3, 1903 (32 Stat., 1031, 1062), provides for the appointment of a Special Assistant to the Attorney-General, and as Assistant Attorney-General, to assist in the enforcement of the Anti-Trust law, and to perform such duties as may be required of them by the Attorney-General.

Clothed with the authority conferred by this new legislation, the Department of Justice, in connection with the Interstate Commerce Commission and the Bureau of Corporations, has taken up the work of making a thorough investigation into the formation, conduct, and operations or corporate combinations en-



gaged in interstate and foreign commerce, and upon the completion of these investigations, the Department will be in a position the more effectually and successfully to prosecute violations of the Anti-Trust and Interstate Commerce laws. The suits under the latter laws are referred to under their appropriate heading hereafter.

The following are the more important Anti-Trust cases pending at the beginning of President McKinley's Administration and successfully prosecuted, and those begun and successfully prosecuted under the administrations of President McKinley and President Roosevelt:

*United States v. Joint Traffic Association*, 171 U. S., 505 (decided October 24, 1898).

In this case the Supreme Court held illegal what is known as the Joint Traffic Agreement, an agreement entered into by 31 different railroads operating in the territory between Chicago and the Atlantic Coast, for the purpose of fixing and maintaining rates and fares. The court held:

That Congress has the power to prohibit, as in restraint of interstate commerce, a contract or combination between competing railroad companies to establish and maintain interstate rates and fares for the transportation of freight and passengers on any of the railroads parties to the combination, even though the rates and fares thus established are reasonable;

That Congress has the power to forbid any agreement or combination among or between competing railroad companies for interstate commerce by means of which competition is prevented; and

That the Sherman Anti-Trust law is a legitimate exercise of the power of Congress over interstate commerce, and a valid regulation thereof.

*United States v. Addyston Pipe & Steel Co.*, (decided December 4, 1899; 175, U. S., 211).

In this case six corporations, located in different States and engaged in the manufacture of cast-iron pipe, had entered into an agreement to control the sale of cast-iron pipe in 36 States and Territories, by fixing the price of sale, dividing up the territory between them, and by refusing to bid against each other. The court in declaring the combination to be illegal, held:

That the power to regulate interstate commerce, and to prescribe the rules by which it shall be governed, is vested in Congress and that any agreement or combination which directly operates, not alone upon the manufacture, but upon the sale, transportation and delivery of an article of interstate commerce, by preventing or restricting its sale, thereby regulates interstate commerce to that extent, and thus violates the Anti-Trust law;

That the Sherman law applies to combinations of individuals and private corporations as well as to combinations of railways; and that Congress has authority to declare void and to prohibit the performance of any contract between individuals or corporations where the natural and direct effect of such a contract shall be, when carried out, to directly regulate to any extent interstate or foreign commerce.

*United States v. Northern Securities Co. et. al.*, 183 U. S., 198 (decided March 14, 1904).

This suit was brought in the circuit court of the United States for the district of Minnesota, in March, 1902, against the Northern Securities Company, the Great Northern Railway Company, and the Northern Pacific Railway Company, to restrain the Securities Company from in any manner acting as the owner, or from voting any of the shares of the capital stock of the two railway companies; and to enjoin the two railway companies from permitting the Securities Company to vote any of the shares of the capital stock of the two roads, or from exercising any control whatsoever of the two railways.

The Securities Company was formed by the officers of these two railway companies for the purpose of acquiring a controlling interest in the capital stock of the two roads, which it did by exchanging its stock for the stock of the two railways. Just prior to the formation of the Securities Company the Great Northern and the Northern Pacific Railway Companies had joint-



ly acquired a controlling interest in the stock of the Chicago, Burlington & Quincy Railroad Company. For this stock the two railroad companies issued their joint bonds, pledging the capital stock so purchased as collateral for the payment of the purchase bonds. In this manner the two railway companies secured joint control of the Burlington system.

In securing a controlling interest in the stocks of the Great Northern and Northern Pacific systems the Securities Company not only secured the control of those two systems but also of the Burlington system controlled by them, which enabled it to dictate the policy of all three railway systems, and to prevent all competition between them. By these means, it was entirely within the power of the Securities Company to absolutely control all three systems of railway and to suppress all competition between these hitherto competing lines of railway in all of the States through which they ran, lying north of the line of the Union Pacific Railway and between the Great Lakes and the Pacific Ocean.

Upon full hearing the circuit court held the combination to be illegal and restrained all acts under it. On appeal, the Supreme Court affirmed the decree of the circuit court and, among other things, held:

That the principal, if not the sole object of creating the Securities Company, was to secure and to hold a controlling interest in the stock of both railway companies and thus prevent all competition between them; and that such an arrangement was an illegal combination in restraint of interstate commerce and a violation of the Sherman Anti-Trust law;

That every combination or conspiracy which would extinguish competition between otherwise competing railroads, engaged in interstate trade or commerce, and which would in that way restrain such trade or commerce, is made illegal by that act;

That Congress has the power to establish rules by which interstate commerce shall be governed, and by the Anti-Trust act has prescribed the rule of free competition among those engaged in such commerce; and

That it need not be shown that such a combination, in fact, results, or will result to suppress or restrain such commerce, but it is only essential to show that the combination possesses the power to do so, if it wishes to exercise it.

United States v. Chesapeake & Ohio Fuel Co. et al, 105 Fed. Rep., 93.

In this case the U. S. circuit court for the southern district of Ohio, in the suit brought in May, 1899, for that purpose, restrained the carrying out of an agreement between 14 coal companies engaged in mining coal and making coke in West Virginia and a fuel company—whereby the latter company was to take the entire product of the mining companies intended for shipment to the Western States; to sell the same at not less than a minimum price to be fixed by a committee of the mining companies; to account for and to pay over to them the entire proceeds above a fixed price, each company receiving payment at the same rate, and the fuel company binding itself not to sell the product of a competing company—as being in violation of the Anti-Trust law, the combination being in restraint of interstate trade and commerce and as tending to monopoly. The court held that—

It is the declared policy of Congress to promote individual competition in relation to interstate commerce, and to prevent combinations which restrain such competition between their members; and that it is no defense to an action to dissolve such a combination under the Anti-Trust law that it has not in fact been productive of injury to the public if it possesses the power to injure if it wishes to exercise it.

Upon appeal by the combination the circuit court of appeals for the sixth circuit affirmed the decree of the lower court, from which decree of affirmance no appeal was taken (115 Fed. Rep., 610).

United States v. Swift & Co. et al, 122 Fed. Rep., 529.

This suit, instituted in May, 1902, commonly called the "Beef

Trust" suit, was brought in the U. S. circuit court for the northern district of Illinois to restrain the operations of the "Beef Trust," a combination composed of the principal buyers of live stock and shippers of dressed meats in the United States. The object of the combination was to restrain competition among themselves in the buying of live stock and in the sale of dressed meats. The court held—

That the agreement of the defendants to refrain from bidding against each other in the purchase of live stock; to bid up prices for a short time to induce large shipments and then to reduce the price and cease competitive bidding when the shipments arrived; and the agreement to fix and maintain uniform prices for dressed meats, was in restraint of trade and violated the Sherman law;

That the Sherman law has no concern with prices, but looks solely to competition and to the giving of competition full play by making illegal any effort at restriction upon commerce.

The court therefore granted the injunction prayed for by the Government. From this action the Beef Trust has taken an appeal to the Supreme Court.

United States v. The Federal Salt Company, et al.

The combination involved in this case (brought in October, 1902) was known as the "Salt Trust," and was formed for the purpose of raising and maintaining the price of salt in the States west of the Rocky mountains. The circuit court of the United States for the northern district of California enjoined the combination from acting under its agreement in restraint of trade and commerce, and the combination was dissolved. The grand jury (in February, 1903) also returned an indictment against the trust, to which it pleaded guilty, and was sentenced to pay a fine, which was paid.

#### **Further Work Begun by the Department of Commerce and Labor.**

This record of things well done justifies the Republican party in asking the people to leave the further solution of industrial problems in its hands, but it is not content with simply pointing to the past; it is working in the present preparing for the future. The creation of the Bureau of Corporations in the Department of Commerce and Labor marks the change from the old to the new way of dealing with the trusts. The chief difficulty has been lack of accurate knowledge regarding existing conditions. The purpose of the Bureau is to get all essential facts about the business of interstate and foreign commerce, and the agencies engaged therein. It has broad powers of inquiry. The facts it obtains, reported to Congress through the President, will afford a sound basis for wise and progressive constructive legislation.

The work of the Bureau thus far has been a systematic study of legal and industrial conditions in all the States and special investigations into particular industries. These investigations have been conducted vigorously, but not with a spirit of hostility to all the industries because of the misdeeds of some. The great powers given the Bureau would be justly condemned by the people if used for partisan attack upon special corporations, or the exploitation of the operations of business enterprises for the sake of temporary political advantage.

The result of the year's work is most gratifying. The people at large have confidence that Congress will get the information it needs, business men see that legitimate enterprise need not fear unjust attack nor improper inquisitorial investigation.

The Bureau is not charged with the enforcement of any penal statute. Those Democratic leaders who charge it with failure to suppress a corporation alleged to be violating a law either willfully misrepresent facts, or are woefully ignorant of the organic statute. The clamor of Democracy for an indiscriminate assault upon corporations will not drive this Administration from its steadfast, though undramatic, work of discovering facts upon which it can recommend a practical change of laws which will improve, not destroy, our industries.



### The Northern Securities Decision and the Power of Congress to Deal with Trusts.

The Supreme Court in the Northern Securities case has cleared away many of the popular doubts about the power of Congress to deal with interstate commerce, as shown by the following extracts from the opinion:

It is sufficient to say that from the decisions in the above cases certain propositions are plainly deducible and embrace the present case. Those propositions are—

That although the act of Congress known as the Anti-Trust act has no reference to the mere manufacture or production of articles or commodities within the limits of the several States, it does embrace and declare to be illegal every contract, combination, or conspiracy, in whatever form, of whatever nature, and whoever may be parties to it, which directly or necessarily operates in restraint of trade or commerce among the several States or with foreign nations;

That the act is not limited to restraints of interstate and international trade or commerce that are unreasonable in their nature, but embraces all direct restraints imposed by any combination, conspiracy, or monopoly upon such trade or commerce;

That railroad carriers engaged in interstate or international trade or commerce are embraced by the act;

That combinations even among private manufacturers or dealers whereby interstate or international commerce is restrained are equally embraced by the act;

That Congress has the power to establish rules by which interstate and international commerce shall be governed, and, by the Anti-Trust act, has prescribed the rule of free competition among those engaged in such commerce;

That every combination or conspiracy which would extinguish competition between otherwise competing railroads engaged in interstate trade or commerce, and which would in that way restrain such trade or commerce, is made illegal by the act;

That the natural effect of competition is to increase commerce, and an agreement whose direct effect is to prevent this play of competition restrains instead of promoting trade and commerce;

That to vitiate a combination, such as the act of Congress condemns, it need not be shown that the combination, in fact, results or will result in a total suppression of trade or in a complete monopoly, but it is only essential to show that by its necessary operation it tends to restrain interstate or international trade or commerce or tends to create a monopoly in such trade or commerce and to deprive the public of the advantages that flow from free competition;

That the constitutional guaranty of liberty of contract does not prevent Congress from prescribing the rule of free competition for those engaged in interstate and international commerce; and,

That under its power to regulate commerce among the several States and with foreign nations Congress had authority to enact the statute in question.

No one, we assume, will deny that these propositions were distinctly announced in the former decisions of this court. They cannot be ignored or their effect avoided by the intimation that the court indulged in obiter dicta.

By the express words of the Constitution, Congress has power to "regulate commerce with foreign nations and among the several States, and with the Indian tribes." In view of the numerous decisions of this court there ought not, at this day, to be any doubt as to the general scope of such power. In some circumstances regulation may properly take the form and have the effect of prohibition. (In re Rahrer, 140 U. S., 545; Lottery Case, 188 U. S., 321, 355, and authorities there cited.) Again and again this court has reaffirmed the doctrine announced in the great judgment rendered by Chief Justice Marshall for the court in *Gibbons vs. Ogden* (9 Wheat., 1, 196, 197), that the power of Congress to regulate commerce among the States and with foreign nations is the power "to prescribe the rule by which commerce is to be governed;" that such power "is complete in itself, may be exercised to its utmost extent, and acknowledges no limitations other than are prescribed in the Constitution;" that "if, as has already been understood, the sovereignty of Congress, though limited to specified objects, is plenary as to those objects, the power over commerce with foreign nations and among the several States, is vested in Congress as absolutely as it would be in a single government having in its constitution the same restrictions on the exercise of the power as are found in the Constitution of the United States;" that a sound construction of the Constitution allows to Congress a large discretion, "with respect to the means by which the powers it confers are to be carried into execution, which enable that body to perform the high duties assigned to it, in the manner most beneficial to the people;" and that if the end to be accomplished is within the scope of the Constitution, "all means which are appropriate, which are plainly adapted to that end and which are not prohibited, are constitutional." (*Brown v. Maryland*, 12 Wheat., 419; *Sinnot v. Davenport*, 22 How., 227, 238; *Henderson v. The Mayor*, 92 U. S., 259; *Railroad v. Husen*, 95 U. S., 465, 472; *Mobile v. Kimball*, 102 U. S., 691; *M. K. & Texas Ry. Co. v. Haber*, 169 U. S., 613, 626; *The Lottery Case*, 188 U. S., 321, 348.) In *Cohens v. Virginia* (6 Wheat., 264, 413), this court said that the United States were for many important purposes "a single nation,"



and that "in all commercial regulations we are one and the same people;" and it has since frequently declared that commerce among the several States was a unit, and subject to national control. Previously, in *McCulloch v. Maryland* (4 Wheat., 316, 405), the court said that the Government ordained and established by the Constitution was, within the limits of the powers granted to it, "the Government of all; its powers are delegated by all; it represents all, and acts for all," and was "supreme within its sphere of action." As late as the case of *In re Debs* (158 U. S., 564, 582), this court, every member of it concurring, said: "The entire strength of the nation may be used to enforce in any part of the land the full and free exercise of all national powers and the security of all rights intrusted by the Constitution to its care. The strong arm of the National Government may be put forth to brush away all obstructions to the freedom of interstate commerce or the transportation of the mails. If the emergency arises, the army of the nation, and all its militia, are at the service of the nation to compel obedience to its laws."

They serve also to give point to the declaration of this court in *Gibbons v. Ogden* (9 Wheat., 194)—a principle never modified by any subsequent decision—that, subject to the limitations imposed by the Constitution upon the exercise of the powers granted by that instrument, "the power over commerce with foreign nations and among the several States is vested in Congress as absolutely as it would be in a single government having in its constitution the same restrictions on the exercise of power as are found in the Constitution of the United States." Is there, then, any escape from the conclusion that, subject only to such restrictions, the power of Congress over interstate and international commerce is as full and complete as is the power of any State over its domestic commerce? If a State may strike down combinations that restrain its domestic commerce by destroying free competition among those engaged in such commerce, what power, except that of Congress, is competent to protect the freedom of interstate and international commerce when assailed by a combination that restrains such commerce by stifling competition among those engaged in it?

We reject any such view of the relations of the National Government and the States composing the Union, as that for which the defendants contend. Such a view cannot be maintained without destroying the just authority of the United States. It is inconsistent with all the decisions of this court as to the powers of the National Government over matters committed to it. No State can, by merely creating a corporation, or in any other mode, project its authority into other States, and across the continent, so as to prevent Congress from exerting the power it possesses under the Constitution over interstate and international commerce, or so as to exempt its corporation engaged in interstate commerce from obedience to any rule lawfully established by Congress for such commerce. It cannot be said that any State may give a corporation, created under its laws, authority to restrain interstate or international commerce against the will of the nation as lawfully expressed by Congress. Every corporation created by a State is necessarily subject to the supreme law of the land. And yet the suggestion is made that to restrain a State corporation from interfering with the free course of trade and commerce among the States, in violation of an act of Congress, is hostile to the reserved rights of the States. The Federal court may not have power to forfeit the charter of the Securities Company; it may not declare how its shares of stock may be transferred on its books, nor prohibit it from acquiring real estate, nor diminish or increase its capital stock. All these and like matters are to be regulated by the State which created the company. But to the end that effect be given to the national will, lawfully expressed, Congress may prevent that company, in its capacity as a holding corporation and trustee, from carrying out the purposes of a combination formed in restraint of interstate commerce. The Securities Company is itself a part of the present combination; its head and front; its trustee. It would be extraordinary if the court, in executing the act of Congress, could not lay hands upon that company and prevent it from doing that which, if done, will defeat the act of Congress. Upon like grounds the court can, by appropriate orders, prevent the two competing railroad companies here involved from co-operating with the Securities Company in restraining commerce among the States. In short, the court may make any order necessary to bring about the dissolution or suppression of an illegal combination that restrains interstate commerce. All this can be done without infringing in any degree upon the just authority of the States. The affirmance of the judgment below will only mean that no combination, however powerful, is stronger than the law or will be permitted to avail itself of the pretext that to prevent it doing that which, if done, would defeat a legal enactment of Congress, is to attack the reserved rights of the States. It would mean that the Government, which represents all, can, when acting within the limits of its powers, compel obedience to its authority. It would mean that no device in evasion of its provisions, however skillfully such device may have been contrived, and no combination, by whomsoever formed, is beyond the reach of the supreme law of the land, if such device or combination by its operation directly restrains commerce among the States or with foreign nations in violation of the act of Congress.

The question of the relations of the General Government with the States is again presented by the specific contention of each defendant that Congress did not intend "to limit the power of the several States to create corporations, define their purposes, fix the

amount of their capital, and determine who may buy, own, and sell their stock." All that is true, generally speaking, but the contention falls far short of meeting the controlling questions in this case. To meet this contention we must repeat some things already said in this opinion. But if what we have said be sound, repetition will do no harm. So far as the Constitution of the United States is concerned, a State may, indeed, create a corporation, define its powers, prescribe the amount of its stock, and the mode in which it may be transferred. It may even authorize one of its corporations to engage in commerce of every kind; domestic, interstate, and international. The regulation or control of purely domestic commerce of a State is, of course, with the State, and Congress has no direct power over it so long as what is done by the State does not interfere with the operations of the General Government, or any legal enactment of Congress. A State, if it chooses so to do, may even submit to the existence of combinations within its limits that restrain its internal trade. But neither a State corporation nor its stockholders may, by reason of the non-action of the State or by means of any combination among such stockholders, interfere with the complete enforcement of any rule lawfully devised by Congress for the conduct of commerce among the States or with foreign nations; for, as we have seen, interstate and international commerce is by the Constitution under the control of Congress, and it belongs to the legislative department of the Government to prescribe rules for the conduct of that commerce. If it were otherwise, the declaration in the Constitution of its supremacy, and of the supremacy as well of the laws made in pursuance of its provisions, was a waste of words. Whilst every instrumentality of domestic commerce is subject to State control, every instrumentality of interstate commerce may be reached and controlled by national authority, so far as to compel it to respect the rules for such commerce lawfully established by Congress.

The combination here in question may have been for the pecuniary benefit of those who formed or caused it to be formed. But the interests of private persons and corporations cannot be made paramount to the interests of the general public. Under the Articles of Confederation commerce among the original States was subject to vexatious and local regulations that took no account of the general welfare. But it was for the protection of the general interests, as involved in interstate and international commerce, that Congress, representing the whole country, was given by the Constitution full power to regulate commerce among the States and with foreign nations.

This decision is a complete answer to those who attack the Administration on the one hand for failing to enforce the Sherman law, or on the other for unwarrantedly assailing business interests.

#### **Attitude of the Two Parties Contrasted.**

Therefore, upon its record of promises kept, things done, work going on, and policies outlined, the Republican party confidently believes that the industrial welfare of the country will best be conserved by continuing in power its leaders. The issue between the two great parties on this subject is not clearly defined, but the proposed methods of dealing with trusts are widely different. The Republican party says let in the light, search the depths of industrial conditions, get the truth, then build better and stronger. The Democratic party says strike in the dark, injure all because some are bad, destroy existing conditions before knowing what to substitute.

The American people were not led astray by the misguided theories of Democracy in 1896 and 1900, nor will they be misled this year. That party preaches discontent, but their remedy is destruction; the Republican party, industrially, as politically, recognizes discontent as an accompaniment of progress, and its remedy is construction.

#### **The Real Attitude of the Two Great Parties.**

The attitude of the two great parties on the Trust question is clearly defined. That of the Democratic party looks to constant agitation, with no restrictive legislation; that of the Republican party to such restriction as will prevent arbitrary advance in prices, or reduction in wages through exclusive control, but not the destruction by legislation or injury by fictitious agitation of legitimate enterprise through great manufacturing systems by which production is cheapened, prices of manufactures reduced, and permanency of employment assured. As far back as the Fiftieth Congress the Democrats began their agitation for effect by the passage of a resolution authorizing the House Committee on Manufactures to enter upon an investigation of the Trusts of the United States. Such distinguished Democratic leaders as Representative Wilson of West Virginia, Representative Breckin-



ridge of Arkansas, Representative Bynum of Indiana, and Representative Bacon of New York were members of the Committee, and they were given power to administer oaths, examine witnesses, compel the attendance of persons and the production of papers, and make their investigation a thorough one. More than 100 witnesses, including H. A. Havemeyer and Claus Spreckels of sugar fame, Mr. Rockefeller, Mr. Flagler, and others of the Standard Oil Company, and representatives of the cotton bagging trust and whisky trust were examined. A thousand pages of testimony were taken and the Committee delayed its report until one day before the expiration of the Congress, when it presented its testimony, but made no recommendation as to legislation, "owing to the present difference of opinion between members of the Committee." In the Fifty-second Congress the House Judiciary Committee made another investigation, and after an examination of many witnesses, submitted a report in which it declared that "none of the methods employed by the trust in controlling the production or disposition of their products are in violation of the United States laws," and that "it is clearly settled that the production or manufacture of that which may become a subject of interstate commerce and ultimately pass into protected trade is not commerce, nor can manufacturers of any sort be instruments of commerce within the meaning of the Constitution." In 1894 they again grappled with the Trust problem, adding to the Wilson-Gorman tariff law a series of provisions purporting to authorize the regulation of Trusts, but which neither the Democratic President nor the Democratic officials who were in power when the act came into existence made, so far as is known, any attempt to put into operation.

The difference between Democratic promises and Republican performances is strikingly illustrated by the enactment of the measure known as the Sherman Anti-Trust Law, which was enacted in 1890 by a Republican Congress and signed by a Republican President—Benjamin Harrison. Although the Democrats sneered at the bill, which they contended was simply a piece of buncombe and would be only a dead letter, the recent decisions of the Supreme Court have shown that it is at least the only piece of legislation ever put upon the statute books which has the semblance of power to control and prevent combinations in restraint of production or commerce.

While attacks upon Trusts have been the stock in trade of professional agitators, none of them has offered any practical legislation which could be enforced in the several States other than that which might be provided through a constitutional amendment. Even Mr. Bryan, who omits no opportunity to declare his hostility to Trusts, offers no legislative remedy other than that which would be supplied by a constitutional amendment. In his address before the Trust Conference in Chicago, on September 16, 1899, he said: "I believe we ought to have remedies in both State and Nation, and that there should be concurrent remedies. \* \* \* I believe in addition to a State remedy there must be a Federal remedy, and I believe Congress has, or should have, the power to place restrictions and limitations, even to the point of prohibition, upon any corporation organized in one State that wants to do business outside of the State. \* \* \* Congress ought now to pass such a law. *If it is unconstitutional and so declared by the Supreme Court I am in favor of an amendment to the Constitution that will give to Congress power to destroy every Trust in the country.*" Yet, in the face of this assertion, when the Judiciary Committee of the House of Representatives on June 1, 1900, brought before that body a joint resolution providing for a Constitutional amendment which should give Congress power to regulate Trusts, only 5 Democrats voted for it, while practically every Republican in the House voted for the measure, but as it required a two-thirds vote, the Democrats were strong enough to defeat it.

#### Trusts in Europe.

The development of the trusts has not been confined to this country, but has extended throughout all the great commercial nations of the world. Under the direction of the Industrial Commission, Professor J. W. Jenks in 1891 made a careful study of the condition in Europe, his full report appearing in volume 18 of the



Report of the Industrial Commission. His conclusions were as follows:

"1. There is, relatively speaking, little objection to combinations in Europe, and in some countries the governments and people seem to believe that they are needed to meet modern industrial conditions. They do believe that they should be carefully supervised by the Government and, if necessary, controlled.

"2. There is little or no belief that the protective tariff is responsible for their existence. It is known that they at times use the tariff to keep their prices higher than would otherwise be possible, and that their export prices are often lower than their domestic prices. The tariff should be guarded so as to prevent serious abuses, but there is practically no thought of its abolition.

"3. Railroad discriminations have been practically abolished in Europe, and in consequence they have had no effect toward creating combinations.

"4. The great degree of publicity in the organization of corporations has largely prevented the evils arising from stock watering, and has evidently had much effect in keeping prices steady and reasonable, and in keeping wages steady and just.

"5. There seems to be no inclination toward the passage of laws which shall attempt to kill the combinations. That is believed to be impossible and unwise. Laws should attempt only to control, and that apparently chiefly through publicity, though the governments may be given restrictive power in exceptional cases."

United States consuls in 1900 were requested to report such information as they might be able to obtain relating to trusts or combinations in the countries in which they were serving. These interesting reports were published in the series of Consular Reports (in volume 21, part 3) under the title of "Trusts and Trade Combinations in Europe." The following are extracts from the reports:

### TRUSTS IN THE UNITED KINGDOM.

[From the U. S. Consul at Bradford, England.]

The combine mania has smitten this district with almost the fury of an epidemic, and more than any other part of the country it is responsible for the flotation of trusts. To what extent these have been effected will be clearly seen from the following table:

Date of flotation.	Name of company.	Number of businesses absorbed.	Capitalization.	
			English money.	United States equivalent.
1898. Dec. 14.	Bradford Dyers' Association, Limited.....	22	£4,500,000	\$21,899,250
1899. July 4	Yorkshire Indigo, Scarlet, and Color Dyers, Limited.....	11	600,000	2,919,900
July 6	Bradford Coal Merchants and Consumers' Association, Ltd..	9	250,000	1,216,625
Oct. 9	Yorkshire Wool Consumers Association, Limited.....	38	2,500,000	12,166,250
1900. April 4	British Cotton and Wool Dyers' Association, Limited.....	46	2,750,000	13,382,875
	Total.....	126	10,600,000	51,584,900

The above are the trusts which so far have been submitted to the British public for support in this district, but there is in embryo a combine which will embrace all the firms engaged in the manufacture of cards for the woolen and worsted trade. There are about thirty firms carrying on business, and more than half have already signified their intention to form a syndicate, but it is felt that such a combination should comprise at least 75 per cent of the whole trade. It is expected that the capital of the combination, if it is formed, will be about £200,000 (\$973,300) or £250,000 (\$1,216,625).

There is also a movement which it is hoped will result in the formation of a trust comprising the Bradford dress-goods manufacturers. Already a meeting has been held, and invitations have been sent asking whether firms would be willing to join in the syndicate. The dress-goods manufacturers in this district are so multitudinous and the variety of goods made is so great that such

a trust would be almost past human genius to manage. Another proposed combine covers the interests of the Bradford worsted spinners. Here, again, the trade is confronted with such a huge scheme that many express the opinion that it will never be accomplished. The matter has been freely talked over by many leading worsted spinners in this district with the promoter of textile combines, and although there is a good deal yet to be done, I am assured that matters are proceeding satisfactorily. The proposed combination will include not only the spinners of fine and "Botany" yarns, but also of "crossbreds."

#### **Spinners' and Shipping Trust.**

Consul Halstead writes from Birmingham, March 1, 1900, in regard to the apathy with which the people of Great Britain regard the formation of trusts.

The news editor of the London Mail (circulation, one million two hundred and odd thousand) gives only some thirty-two lines to an item of the kind, and the editor in chief is not disturbed to the extent of a single editorial paragraph. Except an approving paragraph or two in the financial columns when the flotation is advertised, one can look in vain in other papers for either news or editorial notice referring to English trusts. Mr. Halstead continues:

I have a clipping from the February 1 issue of the London Daily Mail. It is an announcement of a proposed formation of a worsted spinners' trust. This trust is to have a capital of £18,000,000 (\$87,597,000), and one hundred and six firms are concerned; yet the news editor of the Mail judges this item to be worth only a two-line head, twenty-eight lines of small type, set solid. The item is as follows:

#### **Another Huge Trust—Bradford Spinners Discuss an £18,000,000 Combine.**

A meeting of spinners engaged in the worsted trade was held yesterday in Bradford to consider the question of forming a combination of firms in that branch of business. One hundred and six firms were represented.

Mr. Scott Ling, of Manchester, who presided, explained that it was proposed to buy out firms on the basis of allowing nothing for good will of concerns which show only 5 per cent. profit. All profit beyond 5 per cent. will be multiplied seven and a half times, and that amount allowed for good will. On such a basis he calculated they could show  $7\frac{1}{2}$  to 8 per cent. for ordinary shareholders.

A resolution in favor of combination was unanimously passed, and the following committee appointed to devise a scheme: Mr. Ickeringill, of Keighley; Mr. James Drummond, of Bradford; Mr. Alfred Haley, of Wakefield; Mr. A. Anderton, of Checkheaton; Mr. J. Hoyle, of Halifax; Mr. Smithies, of Halland, and Mr. H. Whitehead of Bradford.

Opinion is divided as to the possibility of a successful combination. Some put the probable total capital at £18,000,000.

I take from the same issue of the Daily Mail the following extract in regard to the amalgamation as a "trust" of two great South African steamship companies:

#### **Cape Shipping Combination.**

Details are now fully arranged of the recently announced amalgamation of the two well-known Cape mail companies.

The object of the amalgamation is to provide for the more efficient working of the South African trade and for the carrying out of the joint mail contract which the companies have made with the Cape Government for ten years from October next.

The Castle Company changes its name to the "Union-Castle Mail Steamship Company, Limited," takes over the property and liabilities of the Union Company, and increases its nominal capital to £2,000,000. The directorates also combine, and Sir Francis Evans, chairman and managing director of the Union, joins the firms of Donald Currie & Co. in the control of the amalgamated concern.

A new 4 per cent debenture stock will be created, for which the shareholders in both companies will be allowed to exchange their present stock.

It is proposed that the shares of the united company shall be £10 instead of £20 shares, and the shareholders of the Union Company will receive for their paid-up capital an allotment of an equal nominal amount of fully paid-up shares of the Union Castle Company, and in addition will receive £6 13s. 4d. per share, payable in 4 per cent debenture stock.

#### **Wall-Paper Trust.**

Under date of Birmingham, February 16, 1900, Consul Halstead says:

Combinations of the kind which at home we call "trusts" are created here without attracting public attention or causing alarm, though no trouble is taken to keep the facts from getting to the public, and it is rare that one hears a voice raised against trusts. A wall-paper combination with £6,000,000 (\$29,199,000) of capital is announced, and receives from the London Daily Mail, a newspaper which is very active in news gathering, only the scant attention of a two-line head, twenty-one lines of type set solid, and an inconspicuous position. The Mail article reads as follows:

The Association of Wall-Paper Manufacturers, after working jointly since September 30, are now preparing a prospectus, and an issue of capital will be made within the next few days.

The company is already registered with £4,000,000 of share capital, plus debentures, and the new issue will probably be £6,000,000.

Practically every maker of paper hangings in the Kingdom is stated to be embraced by the federation, including Scotch, Lancashire, Yorkshire, and London concerns. The chairman of the combination is W. P. Huntington, late member of Parliament for the Darwen division of Lancashire, and sheriff of Lancashire.

Many important consolidations, adjustments, and economies have already been effected since the formation of the federation.

#### **Trust in Bleaching Trade.**

Consul Halstead writes from Birmingham, February 24, 1900:

Wednesday's edition of the London Mail refers to the formation of a bleaching trust with a capitalization of £10,000,000 or £12,000,000. This, in the judgment of the managing editor, is worthy of only one headline, twenty-two lines of nonpareil type set solid. The Daily Mail article reads as follows:

#### **Bleaching-Trade Combine.**

The Lancashire bleaching trade will shortly be in the hands of a powerful company.

It is said that the combination will involve the capitalization of from £10,000,000 to £12,000,000 (\$48,665,000 to \$58,398,000), and the object in view is to prevent individual concerns from indulging in sharp practices, cutting prices, discounts, etc.

Individual businesses are to be taken over and worked from March 31 by the company, which will be known as the Lancashire Bleachers' Association, Limited, and the prospectus will probably be in the hands of the public soon after that date.

Experts are confident that there is no branch of the textile industries which will so well and profitably lend itself to the adoption of joint-stock-combination principles as that of the Lancashire bleaching trade.

A provisional committee has been appointed from among the members of the largest firms.

Mr. Halstead adds, July 23, 1900:

In the advertising columns of the Times, Mail, Express, and other London and provincial papers appears to-day the prospectus of the Bleachers' Association, Limited, the cotton bleaching "trust" the proposed formation of which I reported some time ago. The share capital of this new "trust" is given at £6,000,000, and added to this as an exact statement of the money involved there are £2,250,000 in 4½ per cent first mortgage debenture stock, making a total of £8,250,000, equivalent in American money to \$40,148,625. Power is reserved by the "trust" deed to create further debenture stock in addition to the amount announced, provided it is necessary. I have not seen, in the five daily newspapers I have read this morning, a single editorial comment on the formation of this great "trust," which is, by the way, a full brother organization to the Bradford Dyers' Association, Limited, an equally great "trust," and with which it has a working arrangement, which is shown by this paragraph taken from the prospectus:

A few of the amalgamated firms are dyers as well as bleachers, and the two businesses may be usefully and profitably continued side by side. There is, however, no intention of competing with the Bradford Dyers' Association, Limited, and in the case of one firm which carries on at one of its works piece dyeing of the Bradford class,\* the company has arranged to transfer the dye works to that association.

The prospectus states that the company has been formed with the object of acquiring and amalgamating numerous firms and companies engaged in the bleaching trade and of strengthening and

\*I think this means dyeing of wool.—Consul.



extending various associations which previously existed for various purposes in connection with the trade.

The names of the fifty-three firms which have entered into contract for the sale of their businesses to the "trust" are given, and are as follows:

Richard Ainsworth, Son & Co., Halliwell Bleachworks, Bolton, established 1760.

The Birkacre Company, Limited (bleaching business only), Birkacre Bleachworks, Chorley, established 1871.

John & Henry Bleachley, Myrtle Grove Bleachworks, Prestwich, established 1799.

Thomas Ridgway Bridson & Sons, Bolton Bleachworks, Bolton, established prior to 1800.

Thomas Ridgway Bridson & Sons, Lever Bank Bleachworks, Little Lever, established prior to 1832.

W. E. Buckley & Co., Limited, Pilsworth Bleachworks, Whitefield, near Manchester, established 1878.

Buckley & Brennand, Seedley Bleachworks, Seedley, established 1887.

R. & A. Chambers, Limited, Spring Waters Bleachworks Whitefield, near Manchester, established 1856.

Thomas Cross & Co., Limited, Mortfield Bleachworks, Bolton, established 1820.

Davies & Eckersley, Limited, Huyton Bleachworks, Adlington, Lancashire, established 1831.

Deeply Vale & Co., Limited, Deeply Vale, near Bury.

Eccles Bleaching Company, Limited, Bentcliffe Works, Eccles, established 1877.

Eden & Thwaites, Limited, Waters Meeting Bleachworks, Bolton, established 1770.

Forrest, Gillies & Co., Lanfine Bleachworks, New Milns, Ayrshire, established 1882.

Andrew Greenhalgh, Clough Bleachworks, Radcliffe, established 1831.

Andrew Greenhalgh, Ballydown Bleachworks, Banbridge, established 1820.

Edward Hall & Bros., Limited, Whaley Bridge Bleachworks, Whaley Bridge, established 1830.

Adam Hamilton & Sons, Blackland Mill, near Paisley, established 1780.

Handforth Bleaching Company, Limited, Handforth, established 1860.

James Hardcastle & Co., Bradshaw Works, Bolton, established 1784.

Thomas Hardcastle & Son, Firewood Works, Bolton, established 1803.

Hepburn & Co., Limited, The Square Works, Ramsbottom, established prior to 1800.

Robert Heywood, Crescent Bleachworks, Salford, established 1838.

Horidge & Co., Raikes Bleachworks, Bolton, established 1822.

The Irkdale Bleachworks Company, Limited, Irkdale Works, Middleton, established 1874.

Kay & Smith, Lands End Works, Middleton, established prior to 1820.

The Kersal Bleaching Company, Kersal Vale Bleachworks, Higher Broughton, established 1892.

A. J. King & Co., Ingersley Vale, Bollington, near Macclesfield, established 1876.

Kirkpatrick Brothers, Ballyclare Bleachworks, Ballyclare, County Antrim, established prior to 1800.

Knowles & Green, Undershore Bleachworks, Bolton, established 1800.

Thomas Lewis Linsey, Hollins Vale Bleachworks, Whitefield, established 1849.

Longworth & Co., Springfield Bleachworks, Astley Bridge, Bolton, established 1840.

James McHaffie & Son, Kirktonfield, Neilston, established 1817.

John McNab & Co., Midtownfield, Howard, New Brunswick, established 1825.

Melland & Coward, Limited, Heaton Mersey, Manchester, established 1820.

H. Milner & Co., Northdean Bleachworks, Pendlebury, established 1885.

William Mosley, Cheadle Bleachworks, Cheadle, Manchester, established 1875.

George Murton & Co., Sharples Bleachworks and Mill Hill Bleachworks, Bolton, established 1845.

The Rawtentsall Bleaching Company, Rawtentsall, established 1884.

Thomas Ridgway & Co., Wallsuches Bleachworks, Horwich, established 1801.

Robert K. Roberts, Stormer Hill Bleachworks, Tottington, near Bury, established 1799.

Executors of S. Rothwell, Woodhill Bleachworks, Elton, near Bury.

G. & S. Slater, Dunscar, Bolton, established prior to 1800.

Simpson & Jackson, Street Bridge Bleachworks, Royton, Oldham, established 1761.

John Smith, Jr., & Co., Great Lever Works, Bolton, established 1840.

John Stanning & Son, Limited, Leyland Bleachworks, Leyland, established prior to 1830.

Sykes & Co., Limited, Edgeley Bleachworks, Stockport, established 1871.

John Waterhouse & Co., Tootel Bridge Bleachworks, Brighton, Bolton, established 1793.

Samuel Walch, Outwood Bleachworks, near Prestwich, established 1850.

John Whitehouse, Elton Works, Bury, established prior to 1800.

John Whittaker & Co., Mount Sion Bleachworks, Radcliffe, established 1771.

Charles Howell, Two Brooks Bleachworks, Tottington, established 1859.

John Young & Co., Crumpsall, Limited, Anchor Bleachworks, Hendham, Hendham Vale, Manchester, established prior to 1800.

From the prospectus I take the following paragraphs explanatory of the purposes of the trust:

The principal business of the company is the bleaching and finishing of cotton piece goods of every description.

The chief center of the cotton industry is Manchester, and all the works acquired by the company are situated within convenient distance of that city excepting those of four Scotch and two Irish firms, who are engaged in special branches of the bleaching business, and are regarded as desirable acquisitions for the company.

A few of the malgimated firms are dyers as well as bleachers, and the two businesses may be usefully and profitably continued side by side. There is, however, no intention of competing with the Bradford Dyers' Association, Limited, and in the case of one firm, which carries on at one of its works piece dyeing of the Bradford class, the company have arranged to transfer the dye works to that association.

The bleaching trade is one of the oldest in Lancashire, and has proved itself a steady and prosperous one. It is also preeminently a safe trade. Bleachers are not buyers or sellers of the goods upon which they operate, their business being to bleach and finish goods for the merchants. It is practically free from ordinary trade risks; the profits are believed to have been exceptionally stable, and there is no record of any bleacher having suffered appreciable loss through bad debts incurred in the course of his legitimate trade.

The great and ever increasing difficulty of obtaining an adequate supply of water renders the position of the old established bleaching firms a very strong one, while enforcement of law against pollution of rivers tends still further to prevent the erection of new works.

For a great many years past, there have existed in the Manchester bleaching trade voluntary associations for the regulation of prices in branches of the business and for other purposes, and these have worked in harmony with the merchants as well as to the advantage of the trade; but it has been realized that the full advantages of cooperation can be secured only by amalgamation, for the success of which the organization and existence of these associations give exceptional facilities.

The present amalgamation has secured the adhesion of many firms who were not previously members of any price association.

It is believed the formation of this company will strengthen the cordial relations already existing with the Manchester merchants, for, being in possession of works of every description capable of dealing at appropriate prices with every branch of bleaching and finishing, the amalgamated firms will be enabled to satisfy the varying demands of the whole Manchester trade and meet any competition from abroad or elsewhere.

Individual effort will be maintained among the various amalgamated firms. So far as possible, the management of each works will be left in the hands of those who have been responsible for its conduct in the past, and the heads of each branch may under the articles of association be remunerated wholly or partially by a commission of percentage on the profits of the branch managed by them. Each firm will continue to deal personally with its own customers, and arrangements which have been made by individual firms with regard to special finishes for particular customers will be strictly adhered to.

The general management of the business of the company is vested in general managers. The first two managers will hold office for three years, and the remuneration attached to their posts is limited to a commission, payable to each of them, of  $2\frac{1}{2}$  per cent on the balance of the net profits made by the company during each year over and above the sum required to pay the debenture interest and preference divided for that year.

The directors believe that the successful management of the undertaking and the cordial cooperation of all the amalgamated firms are secured by the appointment as first general managers of Mr. John Brennand and Mr. John Stanning.

The remuneration of the chairman, vice-chairman, and directors (other than the general managers) will be fixed by the shareholders in general meeting.

As so many kinds of cottons are shipped to America from Manchester, this trust has an interest to us. In the year ending December 31, 1899, it sent to the United States, colors, dyestuffs, and chemicals to a total value of \$125,592.76.

**Cement Trust.**

Consul Halstead writes from Birmingham, under date of July 14, 1900:

British newspapers are to-day printing in their advertising columns the preliminary notice of the Associated Portland Cement Manufacturers, Limited, with a total capital of £8,000,000. This \$40,000,000 cement "trust" attracts no attention, and its formation is not even commented upon by the newspapers. In a recent number of the Advance Sheets of Consular Reports, Consul Worman, of Munich, announces that German manufacturers of cement are to hold a meeting for the formation of a syndicate, which will open a central bureau for the sale of all cement of German manufacture.

**Scotland.**

[From the United States' Consul at Edinburgh.]

I submit the following list of trade combinations in the United Kingdom:

In February, 1891, the United Alkali Company, Limited, was formed, combining in one undertaking various chemical works in the United Kingdom, in which some or all of the following chemicals are manufactured, viz.: Bleaching powder, soda ash, caustic soda, white alkali, sulphate of soda, crystals of soda, chlorate of potash, sulphuric acid, hydrochloric acid, sulphur, etc. Salt mines and works were also acquired. This company consolidated the works and businesses of forty-eight firms or companies. Offices, Liverpool.

In July, 1896, J. & P. Coats, Limited, thread manufacturers, a company organized several years before, acquired the dominant interest in the businesses of Messrs. Clark & Co., Messrs. Jonas Brooks & Bros., and Messrs James Chadwick & Bro., Limited, and the capital was increased from £3,750,000 (\$18,249,375) to £5,500,000 (\$26,765,750). Offices, Paisley.

The English Sewing Cotton Company, Limited, was formed in November, 1897, uniting the principal English firms and companies engaged in the manufacture of sewing, crochet, knitting, mending and other cottons, including in some cases the allied businesses of cotton spinning, doubling, twisting, dyeing, bleaching, polishing, bobbin making, etc. Fifteen companies were amalgamated. Capital, £2,750,000 (\$13,382,875). Offices, Manchester.

The Fine Cotton Spinners and Doublers, Limited, was formed in May, 1898, consolidating thirty-one businesses and having a capital of £6,000,000 (\$29,199,000).

The American Thread Company, Limited, organized in December, 1898, united thirteen businesses. Capital, £3,720,000 (\$18,103,380).

The Bradford Dyers' Association, Limited, was formed in December, 1898, for the purpose of acquiring the businesses of the various companies and firms engaged in the piece-dyeing trade. Twenty-two businesses were thus amalgamated, comprising about 90 per cent of the Bradford piece-dyeing trade.

In July, 1899, The Yorkshire Indigo, Scarlet, and Color Dyers, Limited, was formed for the purpose of acquiring and carrying on the works of several firms and companies engaged in the Yorkshire indigo, scarlet, and color dyeing trade. Eleven businesses were consolidated. Capital, £600,000 (\$2,919,000). Offices, Huddersfield.

In July, 1899, The Bradford Coal Merchants and Consumers, Limited, was formed, uniting eight businesses. Capital, £250,000 (\$1,216,625).

The Yorkshire Wool Combers' Association, Limited, was organized in October, 1899, acquiring and amalgamating into one concern the wool-combing businesses of thirty-eight companies and firms. Capital, £2,500,000 (\$12,166,250). Offices, Bradford.

The British Oil and Cake Mills, Limited, formed in July, 1899, amalgamated seventeen companies and firms engaged in oil and cake manufacture and oil refining. Capital, £1,500,000 (\$7,299,750). Offices, London.

Barry, Ostlere & Shepherd, Limited, incorporated in October, 1899, consolidated the businesses of five companies having eight works engaged in the manufacture of floor cloth and linoleum. Capital, £4,000,000 (\$19,466,000). Offices, Kirkcaldy.



The United Indigo and Chemical Company, Limited, formed in November, 1899, consolidated eight companies. Capital, £250,000 (\$1,216,625). Offices, Manchester.

The Calico Printers' Association, Limited, formed in December, 1899, amalgamated sixty businesses valued at £8,047,031. Capital, £9,200,000 (\$44,771,800). Offices, Manchester.

The Wall Paper Manufacturers, Limited, incorporated in February, 1900, united thirty-one firms and companies engaged in the manufacture of wall papers and raised decorative materials. Capital, £4,200,000 (\$20,439,300). Offices, Darwen, England.

The United Velvet Cutters' Association, Limited, formed in March, 1900, consolidated four businesses, the principal ones engaged in this branch of trade in England. Capital, £300,000 (\$1,459,950). Offices, Manchester.

The British Cotton and Wool Dyers' Association, Limited, incorporated in April, 1900, united forty-six businesses. Capital, £2,750,000 (\$13,382,875).

In The Yorkshire Soap Makers' Association, Limited, formed last April, were amalgamated twelve firms and companies engaged in the soap making, oil, and packing, cotton-waste manufacturing, and other kindred trades. Capital, £400,000 (\$1,946,600). Offices, Bradford.

I send under separate cover a copy of the prospectus of each of these combinations:—

The United Alkali Company, Limited; The English Sewing Cotton Company, Limited; The Yorkshire Indigo, Scarlet and Color Dyers, Limited; The Yorkshire Wool Combers' Association, Limited; The British Oil and Cake Mills, Limited; Barry, Ostlere and Shepherd, Limited; United Indigo and Chemical Company, Limited; The Calico Printers' Association, Limited; The Wall Paper Manufacturers, Limited; The United Velvet Cutters' Association, Limited; The Yorkshire Soap Makers' Association, Limited; and The Bradford Dyers' Association, Limited.

A rumor has been current that there is a movement among the tweed manufacturers of the south of Scotland to amalgamate, but those manufacturers who have been approached on the subject say that the story is an invention.

As to the effect of the combinations in various trades upon production, wages, and prices, the opinions of well-informed men differ. It would seem that, generally speaking, the effect has been most marked in preventing a rise in wages.

Wall paper has advanced about 10 per cent since March last. In the same period, ordinary sewing cottons have risen 15 per cent, and ordinary linen sewing thread from 10 to 15 per cent. The cheaper qualities of floor cloth are 2 per cent higher than the average prices in September, 1899, and the better qualities have risen 4 per cent since January 1, 1900.

#### Glasgow.

[From the United States Consul at Glasgow.]

Under the law of Scotland, which is also the law of the United Kingdom, a corporation may be formed for the purpose of carrying on any business, by seven persons subscribing a memorandum of association. The memorandum states the object for which the company is to be formed, the amount of capital with which it is to start business, and the number of shares into which the capital is divided, and whether any number of shares are to be preferred over the others as to dividend or as to payment of capital in the event of winding up; also the name of the proposed company and the situation of its registered office. The subscribers of the memorandum of association may only have one share each. This memorandum of association is usually accompanied by articles of association, which are by-laws for regulating the business of the company, the appointment of directors, votes of shareholders, etc. These documents are sent to the registrar of joint-stock companies, who is a Government official, and on being registered by him, a certificate of incorporation is issued to the company. The company is then incorporated and entitled to commence business. Hitherto, there has been no regulation as to what proportion of the nominal capital must be subscribed before commencing business, but there is a bill at present before the legislature, and which it is intended will become law immediately,

making it imperative that a certain proportion of the nominal capital must be subscribed before any business is done. The liability of shareholders is limited to the amount, if any, unpaid on the shares held by them. A list of shareholders, with the number of shares held by them and the amount paid, and a balance sheet showing the position of the company, must be lodged with the registrar annually. Any person, whether a creditor or not, can, on payment of a small fee, get from the registrar full information as to the positions of any registered company.

So far as trust combinations are concerned, there are no statutory enactments either prohibiting or regulating them. Such combinations are formed under the provisions appertaining to all corporations. It is worthy in passing, however, to mention that little or no attention is given to these combinations, when formed, in the public prints. They excite no comment whatever. It is for that reason very difficult to obtain information of their workings and influence. In this report, I have endeavored to give such details as I can obtain of the principal trusts or combinations which have their habitation in Scotland. The list may possibly not be complete, though in the main I think it will be found to include all worth mentioning.

I have said above that little or no discussion of trusts is found here in the public prints. Very recently, a member of the Glasgow Chamber of Commerce gave notice in that body that at the next meeting he would move to discuss the subject of trusts or combinations, and to ask the Chamber to record its opinion that such combinations are "highly prejudicial to the commercial interests of this country and unjust to others engaged in similar trades or manufactures, creating as they do virtual monopolies." It was further proposed by this member that the directors of the Chamber should advise the Chamber to petition the Government to take "such steps as seem to them right" to prevent the formation of these combinations and to recommend other chambers to take similar actions.

Speaking of this movement on the part of the Chamber of Commerce, the "Glasgow Herald" says:

It has been objected that this is not a matter of practical politics, and should not, therefore, be debated by the chamber at all. But it is a matter of large social and economic importance that will sooner or later be projected into the ordinary political arena. If the system of business combinations known in America as "trusts" has not in this country, or in Europe, either attained the dimensions or developed the evil qualities to be found in the United States, it is by no means a novelty in the Old World. It is, moreover, a perfectly natural evolution of commercial enterprise, whether it is to be commended or not. Nor is there anything new in the antipathy to such combinations and the desire to prevent them by force of law, for there existed on our statute books a hundred years ago, or more, a number of ordinances imposing penalties on combinations to fix the prices or secure the monopoly in several branches of industry. There is a material practical difference, no doubt, between trusts as we hear of them in America and as we know them in Europe. The big American trusts are formed on such a scale as to carry out the definite object of controlling all the influences that can affect the interests of the co-partners, including railway and other corporations and local, State, and Federal governing bodies. For the most part, the combines in Great Britain and on the Continent are of comparatively modest dimensions, and are, or are alleged to be, formed to prevent excessive underselling, injurious to the producers and not greatly beneficial to the consumers. In both cases the ultimate aim is, of course, profit, and profit is the legitimate aim of all commerce. It becomes illegitimate only when gained at the expense of the Commonwealth. If, for instance, trusts or combines operate in restraint of trade, they are injurious to the Commonwealth. And it is just here that economic opinion varies. To the American trusts the balance of opinion is adverse. As to the European combines, opinion is pretty much divided. Curiously enough, Germany has both more numerous and larger industrial organizations than any other country on this side of the Atlantic. It is stated that there are upward of two hundred trusts in Germany, but probably only a very few of them at all approximate to American ideas. For the majority of them it is claimed that by checking overproduction and preventing underbidding, they have proved a blessing to the trades concerned, without at all affecting the public welfare. And here it may be at once admitted that, while it is for the public welfare to have commodities cheap, it is not for the public welfare that producers should be ruined and industries destroyed in the pursuit of cheapness. Perhaps the German combination best known to Britain is the Rhenish-Westphalian Coal Syndicate, which controls the bulk of the German coal industry and practically regulates prices. It is by no means clear that the public welfare has not suffered at the hands of this combination. And it would be un-



wise to conclude that this and similar combinations in Germany are popular, or at all events are not regarded with popular disfavor, merely because they have not been denounced by any portion of the people as fiercely as the trusts are denounced in America. The circumstances of the two countries are so very different.

Perhaps one reason why the German trusts have not created a political crisis is that they have hitherto exercised their powers with moderation, and have not attempted to manipulate prices so as to give cause for legal interference. And the same may be said of the combines and unions that have been formed in this country of recent years. Thread has not been made dearer by the great organization of thread producers, though, of course, it may be said that it might have been cheaper had production remained free and open. It is probable that coal would have been no dearer than it is now had the late Sir George Elliot been able to carry out his scheme of a great coal combine. But there are other considerations besides the influence of such organizations upon price. There is, for instance, the distribution of productive industry. Under the trust system, the plan followed is to concentrate production for economy, and to close up the least profitable factories. One has only to study the history of the Alkali union to see how, by this method, an industry may be cleared out of several districts altogether, to the obvious disadvantage of the workers and traders in these districts. It has been sometimes said by American writers that it is the free-trade principles of Britons that lead them to comment so severely on the trust system, but free trade has not prevented the development of a form of the system here—a development which has presented some very striking examples within quite recent months. The very essence of all these combines is monopoly. Now monopoly is an ugly word, but it is not necessarily a bad thing. Monopoly in practical economics is not absolute absorption by individuals or associations of individuals. It is, rather, the antithesis of competition. An American economist has, not unhappily, provided a definition of modern monopoly as substantial unity of action on the part of persons engaged in some particular kind of business which gives practical control over prices. That control, of course, is obtained by concentration and economization in production and distribution. And one of the greatest powers the monopolists under the trust and combine systems possess is that of underbidding. They can stave off competitors by underselling, but this very power induces the prudential policy of staving off competition by keeping prices at a moderate level. When all is said and done, however, one is constrained to perceive that trusts and combines have not abolished overproduction or prevented industrial crises. And, with whatever good features they may be accredited, we must remember that, if impelled by greed and unscrupulousness, such organizations must in time involve very serious dangers to the Commonwealth. Is it safe to trust human nature with the opportunity and the means to wax fat and kick at the expense of the community?

The impression that seems to exist here that, somehow or other, these "combinations" in Great Britain differ in some of their essentials, aims, objects, and workings from trusts in America, is erroneous. If there be any difference it is merely in degree rather than in kind. Trusts in this country have thus far met with no opposition either in legislation or public opinion. Consequently, they have not been called upon in self-defense to exercise those more disagreeable qualities which are attributed to them by aggressive enemies. The question of trusts has never figured in politics (few commercial, economic, or financial questions do in this country), hence no accusations of official favoritism to gain political advantage are made. However, one has but to go through the country and note the tall chimney stacks standing here and there, idle and alone, from which the rest of the works have been moved or razed, to understand that the combination has reduced output or confined operations to narrower limits.

#### Extract from Speech of General Garfield, July 2, 1873.

"What is likely to be the effect of railway and other similar combinations upon our community and our political institutions? Is it true, as asserted by the British writer quoted above, that the State must soon recapture and control the railroads, or be captured and subjugated by them? Or do the phenomena we are witnessing indicate that general breaking up of the social and political order of modern nations so confidently predicted by a class of philosophers whose opinions have hitherto made but little impression on the public mind? That you may not neglect this broader view of the question, I will quote some sentences written by Charles Fourier, sixty-six years ago—nearly a quarter of a century before the fire of the first steam locomotive was lighted. After tracing the course of civilization through its several phases



of development, and declaring that it was then (1808) past the middle of its third phase, and moving towards its own destruction, he said:

"Civilization is tending towards the fourth phase, by the influence of joint stock corporations, which, under the cover of certain legal privileges, dictate terms and conditions to labor, and arbitrarily exclude from it whomever they please. These corporations contain the germ of a vast feudal coalition, which is destined soon to invade the whole industrial and financial system, and give birth to a commercial feudalism. \* \* \* These corporations will become dangerous and lead to new outbreaks and convulsions only by being extended to the whole commercial and industrial system. The event is not far distant, and will be brought about all the more easily from the fact that it is not apprehended. \* \*

\* Extremes meet; and the greater the extent to which anarchical competition is carried, the nearer is the approach to the reign of universal monopoly, which is the opposite excess. It is the fate of civilization to be always balancing between extremes. Circumstances are tending toward the organization of the commercial classes into federal companies, or affiliated monopolies, which, operating in conjunction with the great landed interest, will reduce the middle and laboring classes to a state of commercial vassalage, and by the influence of combined action will become master of the productive industry of entire nations. The small operators will be forced indirectly to dispose of their products according to the wishes of these monopolies; they will become mere agents for the coalition. We shall thus see the reappearance of feudalism in an inverse order, founded on mercantile leagues, and answering to the baronial leagues of the middle ages. Everything is concurring to produce this result. \* \* \* We are marching with rapid strides toward a commercial feudalism, and to the fourth phase of civilization."

"These declarations read something like prophecy, so far as they relate to the effects of combined corporations. New mechanical forces have hastened the development of corporations since Fourier wrote. We need not take alarm at his prophecy of the speedy decay of civilization; but the analogy between the industrial condition of society at the present time and the feudalism of the middle ages is both striking and instructive. In the darkness and chaos of that period, the feudal system was the first important step towards the organization of modern nations. Powerful chiefs and barons intrenched themselves in castles, and in return for submission and service gave to their vassals rude protection and ruder laws. But as the feudal chiefs grew in power and wealth, they became the oppressors of their people, taxed and robbed them at will, and finally, in their arrogance, defied the kings and emperors of the mediaeval states. From their castles, planted on the great thoroughfares, they practiced the most capricious extortions on commerce and travel, and thus gave to modern language the phrase 'to levy black mail.' The consolidation of our great industrial and commercial companies, the power they wield, and the relations they sustain to the States and to the industry of the people, do not fall far short of Fourier's definition of commercial or industrial feudalism. The modern barons, more powerful than their military prototypes, own our vast highways, and levy tribute at will upon all our vast industries. And, as the old feudalism was finally controlled and subordinated only by the combined efforts of the kings and the people of the free cities and towns, so our modern feudalism can be subordinated to the public good only by the great body of the people acting through their governments by wise and just laws.

"My theme does not include, nor will this occasion permit, the discussion of methods by which this great work of adjustment may be accomplished. But I refuse to believe that the genius and energy that have developed these new and tremendous forces, will fail to make them, not the masters, but the faithful servants of society. It will be a disgrace to our age and to us if we do not discover some method by which the public functions of these organizations may be brought into full subordination to the public, and that too without violence, and without unjust interference with the rights of private individuals. It will be unworthy of our age and of us, if we make the discussion of this subject a mere warfare against men. For in these great industrial enterprises have been, and still are, engaged some of the noblest and worthiest men of our time. It is the system, its tendencies and its dangers, which society itself has produced, that we are now to confront. And these industries must not be crippled, but promoted. The evils complained of are mainly of our own making.

States and communities have willingly and thoughtlessly conferred these great powers upon railways, and they must seek to rectify their own errors without injury to the industries they have encouraged. \* \* \*

"It depends upon the wisdom, the culture, the self-control of our people, to determine how wisely and how well this question shall be settled. But that it will be solved, and solved in the interest of liberty and justice, I do not doubt. And its solution will open the way to a solution of a whole chapter of similar questions that relate to the conflict between capital and labor. The gloomy views of Socialistic writers on this question would have more force, if the dangers here discussed had grown up in spite of our efforts to prevent them. But the fact is they have grown up by our help, while we were unconscious of the fact that they were dangers."

### DEMOCRATIC RECORD ON TRUSTS.

[Address of Hon. Leslie M. Shaw Before the Young Men's Republican Club, Providence, R. I.]

Hon. Leslie M. Shaw, Secretary of the Treasury, before the Young Men's Republican Club, Providence, R. I., Wednesday evening, March 23, 1904, said in part:

"No sooner was the result of the merger case announced than the opposition inaugurated widely varying and inconsistent tactics to rob the Administration of the fruits of its victory. Some demanded the institution of similar suits against every large business and producing enterprise and every consolidation of railroad interests, whether of competing systems or of continuous lines. The most amusing effort to avoid a comparison of Republican and Democratic administrations, to the great advantage of the former, appears in a recent interview by ex-President Cleveland. He does not claim to have recommended any anti-trust legislation during either of his administrations. He does not claim that any anti-trust legislation was passed during either of his administrations. He does not claim credit for any litigation ever instituted to suppress any trust or combination during either of his administrations. He simply seeks to explain why nothing was done, and he places the responsibility therefor upon the courts and the Constitution and upon the fact that the Northern Securities Company was not organized during his administration.

"I am very glad that the ex-President has again commenced to take notice, notwithstanding the McKelway letter. Eight years is a long time to remain in mourning. But now that he has voluntarily entered the lists and invited comparisons, he can not complain if comparisons be made.

"Mr. Cleveland was first inaugurated President March 4, 1885. Neither in his inaugural address nor in any message does he mention the subject of trusts until immediately preceding the election of 1888. In his last message preceding that campaign he refers to the existence of 'combinations frequently called trusts,' and closes with this sage conclusion:

"The people can hardly hope for any consideration in the operation of these selfish schemes."

"He recommends no relief and suggests no remedy. Nevertheless the Congress to which this comprehensive statement of fact was submitted, a majority of the Members of which belonged to his school of political thought, appointed a commission to investigate the subject. The purpose of the commission was to convince the people that their interests were not being neglected, at least during the campaign, and that if Mr. Cleveland was re-elected some remedial legislation would follow. To that end this commission held meetings from time to time throughout the campaign. Mr. Cleveland was not re-elected, however, but when Congress reconvened, in a paragraph of five lines, he refers to the subject of trusts, and closes with this sad and terrifying announcement: 'Corporations, which should be the carefully restrained creatures of the law and the servants of the people, are fast becoming the people's masters.' But he recommends no relief and suggests no possible way of escape.

"Two days before the inauguration of President Harrison the commission to which I have referred made its report, setting forth what evidently appeared to the commission as a most deplorable condition.

"Your committee respectfully report that the number of combinations and trusts formed and forming in this country is, as your Committee has ascertained, very large, and affects a large portion of the important manufacturing and industrial interests of the country. They do not report any list of these combinations, for the reason that new ones are constantly forming and old ones are constantly extending their relations so as to cover new branches of business and invade new territories."

"Their words of encouragement which follow must be read in the light of the fact that two days later a Republican Congress, elected some months before, was to convene. Listen!

"Your committee further report that owing to present differences of opinion between the members of your committee, they



limit this report to submitting to the careful consideration of subsequent Congresses the facts shown by the testimony taken before the committee.

"Both the President and the committee acknowledges the existence of harmful trusts and combinations, but neither holds forth to the people any ray of hope except at the hands of those who were about to fill their seats.

"The Republican Congress was not long inactive. The very first bill introduced in the Senate of the Fifty-first Congress was John Sherman's Anti-Trust bill, Senate File No. 1. It passed both Houses and received the signature of Benjamin Harrison.

"The passage of this act was followed by several suits for its enforcement and several decisions by the Supreme Court were secured, declaring it constitutional and applying it to various conditions. Then, on March 4, 1893, President Cleveland was again inaugurated, and in his inaugural address he refers to trusts, saying:

"These aggregations and combinations frequently constitute conspiracies against the interests of the people, and in all their phases they are unnatural and opposed to our American sense of fairness. To the extent that they can be reached and restrained by Federal power, the General Government should relieve our citizens from their interference and exactions."

"He suggests no modification of the Sherman act, and recommends nothing in its place, but in harmony with the teachings of State sovereignty statesmanship, of which he always had been, and therefore always will be, a diligent student, he suggests that it is very doubtful whether the Federal Government has any jurisdiction in the premises.

"That was in his inaugural address. He does not again refer to the subject of trusts in message or proclamation until December, 1896, after the election of William McKinley, when he can throw the responsibility upon another. In this, his last message, he denounces combinations of every description in language as intemperate and inflammatory as was ever employed by his party's more recent candidate for the Presidency. He says:

"Their tendency is to crush out individual independence and to hinder and prevent the free use of human faculties and the full development of human character."

"He then discouraged Federal legislation by saying:

"The fact must be recognized, however, that all Federal legislation on this subject may fall short of its purpose because of the complex character of our governmental system, which, while making the Federal authority supreme in its sphere, has carefully limited that sphere by meets and bounds that cannot be transgressed. The decision of our highest court on this precise question renders it quite doubtful whether the evils of trusts and monopolies can be adequately treated through Federal action unless they seek, directly and purposely, to include in their objects transportation or intercourse between States or between the United States and foreign countries."

"This, so far as the record shows, is his last utterance, official or otherwise, on the subject of trusts, until he explains, in his recent interview, the reason why nothing was done during either of his administrations. While the platform on which he was elected the second time promised much in the way of anti-trust legislation, nothing was done except to include in the tariff act of 1894 a provision rendering null and void any combination, conspiracy, trust, agreement, or contract between two or more persons or corporations engaged in importing articles from any foreign country into the United States intended to operate in restraint of trade or to increase the market price of any imported article or any manufacture into which imported articles have entered. Their sole legislation was against combinations of importers, with intent to put up the price of imported goods. In no way, shape, or form did they seek to prohibit a combination of American manufacturers, producers, or transportation companies. It is needless to say that no effort has been or ever will be made to enforce this act, for it is directed against an imaginary evil. Importers may represent foreign trusts, but they do not combine in this country to increase the price of their imported wares. It was intended to please the people and I see no reason to presume that any existing or contemplated trust was scared thereby.

"And now I want to refer to the language of Mr. Cleveland's explanation for the sad neglect of his administration as set forth in his authorized interview. He says:

"The question of the Government taking legal action against the so-called trusts was given much consideration during my last administration, from 1893 to 1897. I recall that I examined closely the law and received reports from Mr. Olney, who was then Attorney-General. I was most anxious to have something done, but we were blocked by decisions of the Supreme Court, which at that time tied our hands. \* \* \* The decisions of the Supreme Court, as pointed out in my message, restricted our action against trusts unless they were engaged in interstate transportation. There was a distinct difference drawn between railroads and purely producing combinations. It could not be said that the sugar trust, or the beef trust, or the Standard Oil Company was directly engaged in interstate transportation."

"I think Mr. Cleveland has overlooked the fact that Attorney-General Knox has at this time an injunction in full force against seven corporations, one copartnership, and twenty-three individuals engaged in the production and transportation of meats and meat products, restraining them, as the opinion shows, from requiring their purchasing agents to refrain from bidding against



each other when making purchases; from bidding up the price of live stock for a few days to induce large shipments, and then ceasing to bid so as to obtain live stock at prices less than it would bring in the regular way; from agreeing between themselves upon prices to be adopted by all; from restricting the quantities of meat to be shipped; from requiring their agents to impose uniform charges for cartage, and from making agreements with transportation companies for rebates and other discrimination rates.

"Of course, this action is based upon the allegation admitted in the demurrer, that these packing concerns are engaged not only in the production of articles entering into interstate commerce, but that the concerns are themselves engaged in interstate commerce. Admittedly, the Federal Government has no jurisdiction to restrain combinations between individuals or corporations, except such as is derived under the provision of the Constitution, giving Congress control of interstate and foreign commerce. Thus, what Mr. Cleveland just last week said can not be done is an accomplished fact, and the action was brought under the Sherman act, a Republican measure, promised in a Republican platform, passed by a Republican Congress, signed by a Republican President, and enforced by a little giant under the direction of the present Republican President. And while the case has been appealed, it stands and holds and will remain effective until reversed.

"Nor is this all, nor the most astonishing feature of Mr. Cleveland's interview. In the closing paragraph he takes no small pains to explain why nothing was done during his administration, and by so doing endorses, in the most emphatic language, what has been done by his successors. Without admitting the sufficiency of his explanation, it is quite gratifying to have so distinguished a person unqualifiedly approve the institution, the prosecution, and the result of the merger case. Listen to the explanation he gives for his own inactivity:

"There was then no opportunity to take any such action as this merger suit. The case did not present itself. If contracts existed among these business combinations for the restraint of trade, they were kept secret and no evidence offered itself on which to act. At that time this merger of railroads had not been formed, so that there was no action of this sort to take."

"How unfortunate it is for so many of us that opportunities never present themselves in our times. Those who lived before us, and those who come after us, have great opportunities. Of all men we are most miserable. And so Mr. Cleveland bewails his misfortune, in much the same tone, if not in the same language, that Ben King employs:

"Jane Jones keeps talkin' to me all the time,

An' says you must make it a rule

To study your lessons 'nd work hard 'nd learn,

An' never be absent from school.

Remember the story of Elihu Burritt,

An' how he clum up to the top,

Got all the knowledge 'at ever he had

Down in a blacksmithing shop?

Jane Jones she honestly said it was so!

Mebby he did—

I dunno!

O' course what's a-keepin' me 'way from the top,  
Is not never havin' no blacksmithing shop.

She said 'at Columbus was out at the knees

When he first thought up his big scheme,

An' told all the Spaniards 'nd Italians too,

An' all of 'em said 'twas a dream.

But Queen Isabella jest listened to him,

'Nd pawned all her jewels o' worth,

'Nd bought him the Santa Maria 'nd said,

'Go hunt up the rest of the earth!'

Jane Jones she honestly said it was so!

Mebby he did—

I dunno!

Of course, that may be, but then you must allow,  
They ain't no land to discover jest now!"

## WHAT THE MERGER SUIT HAS SAVED.

[From the Philadelphia Press, July 16, 1904.]

What were the profits threatened by the Northern Securities decision? What is the saving to the country by the instituting of the merger suit and its judicial affirmance? The organization of this corporation was the outgrowth of the attempt by "community of interest" to eliminate competition and add to railroad profits. "Community of interest" in four years added \$155,000,000 to railroad charges for freight. Last April the Interstate Commerce Commission proved this in a report to the Senate.

In 1887 the Interstate Commerce act, which was the first of the various measures passed for the purpose of preventing combination and destroying competition, began the work of re-

ducing rates under its Republican Administration. From 1890 until 1899 freight rates steadily decreased. The railroads between 1890 and 1899 increased their tons of freight by one-half, and the sum received for carrying it by less than one-third, or two-sevenths. In other words, freight was being carried cheaper for the public, although more was being moved.

The aggregate freight carried in 1890 was 636,541,617 tons, at a cost of \$714,464,277. By 1899 the freight had increased to 959,763,583 tons, while the freight receipts had only risen to \$913,737,155. As will be seen, the increase in freight was 323,221,964 tons, or 50.9 per cent, and the increase of income \$199,272,878, or 16.4 per cent.

A better comparative showing could be made, if one wished to force this point, by taking one of the years of extreme depression. The year 1899 was not. In it the railroads were making a fair return on their capital and their business. No one was complaining.

The decisions of the United States Supreme Court destroyed traffic agreements. "Community of interests" began. The trunk lines were drawn to closer relations. These had their effect on the railroad systems of the country. All the 186,000 miles which then constituted the railroad mileage of the United States became a vast web whose rates responded to the determination of a few great financiers in New York to make the country pay for its transportation.

The next step after the "community of interest" was to be the "holding corporations," of which the Northern Securities Company was the first example. Rates advanced from 1899 to 1903. Aggregate freight tonnage rose to 1,221,475,948 tons, an increase of about one-fourth, but the freight receipts rose still faster. They advanced to \$1,318,320,604. This was an increase of nearly one-half. The advance in the cost of freight to the people of the United States was \$404,583,449, an increase of 44.28 per cent, while total freight tonnage had only increased 261,712,365 tons, or 27.27 per cent.

If rates had remained in 1903 as they were in 1899—and the railroads, as we have already said, were making money in 1899—stocks were rising and new bonds and shares were selling—shippers instead of paying \$405,000,000 more would have paid in addition only \$250,000,000. Instead they were taxed an additional \$155,000,000. This was the measure of the advance in rates from 1899 to 1903, a measure obtained by ascertaining how much the freight carried in 1903 would have cost the country if it had been carried at the same rate as received in 1899.

This advance and this increased tax laid upon the trade of the country were gained through the "community of interest," and schemes like the Northern Securities Company, which were intended to carry a step forward the "community of interest" and still more eliminate competition. The industries and the labor of the country, which had steadily improved from 1897 to 1899 under low rates, went on under a period of enlarging business under higher rates.

But the tax was felt. It is not possible to make \$155,000,000 in a year out of the profits of everybody who uses railroads for freight, as every business does, directly or indirectly, and not have someone feel it. The corporations gained. The shipper lost. When President Roosevelt's Administration attacked the Northern Securities combination it served notice on everybody concerned that this process could go on no longer.

The corporations objected. Naturally. Under combination, more or less veiled—within the letter of the law, but against its spirit—they had slowly marked up rates until they were obtaining \$155,000,000 more than in 1899, with every prospect of adding to the tax which they were levying on the country. This was a stake worth fighting for. The corporations and the small group of able financiers who had in four years increased the burden of railroad freight on the country by \$155,000,000 had and have no intention of permitting any interference with this plan if they can help it.

The real question which lies behind the "trust issue," brought into evidence by the Northern Securities decision, is whether, under President Roosevelt's policy, this increase of freight rates



shall be stopped, revised and reduced by allowing the play of natural causes through competition, or, as will take place if Judge Parker is elected, the increase in freight rates shall go on by railroads freed from opposition to their "community of interest" and to their consolidation.

## THE TRUSTS AND THE PROTECTIVE TARIFF.

[Hon. William B. Allison, United States Senator, in American Industries for December, 1903.]

It is contended that the protective policy is the basis of what are known as trust combinations in our country, and that if these are to be crippled or destroyed the most effective weapon is free trade in trust-made goods; that is to say, that goods produced in other countries of character and quality similar to those produced by a trust in this country shall be placed on the free list. The effect of this, of course, would be to place all imported goods of this character on the free list, whether competitive goods were made here by a trust combination or by independent factories competing with the trust, thus allowing world-wide competition in this class of goods.

This plan is impossible of execution, even if otherwise effective, as it would lead to endless contests and conflicts in the custom houses and in the courts on the question of what are trust-made goods and what are goods of like character produced here and also produced abroad.

According to the census of 1900 about 12 per cent of manufactured articles were made by what we call trusts in this country. That percentage has increased since 1900, but certainly does not now exceed 20 per cent of the total product. But if this proposition were enacted into law those producing the remaining 80 per cent in competition with the trusts would be punished and crippled, and it may be destroyed, through no fault of their own, but by the action of the trusts producing the 20 per cent.

If tariff duties are necessary to protect our producers against foreign competition then not only these who are in combination here, but also the independent manufacturer, must suffer alike if the necessary protection is withdrawn. Is it possible to devise a more effective method of destroying the protective system than this proposed insidious method of withdrawing protection from trust-made goods?

The basis of this proposal is a false one. The tariff is not the foundation of these combinations, nor does it promote them in any material degree. Whatever their origin it cannot be found in our tariff laws. If it were so found then these combinations would be confined to those manufacturers benefited by the tariff. But it so happens that many of these combinations, and the largest of them, have no relation whatever to the tariff, but have grown up without tariff protection and wholly outside of it.

The Standard Oil Trust is a conspicuous example of this. There is not now and never has been any duty on its product. As a precautionary measure the Wilson bill of 1894 provided that if any country producing petroleum or its products imposed a duty upon our petroleum or its products, a duty of 40 per centum should be paid on such articles imported from that country, and this provision, not materially modified, was retained in the Dingley law. But it is of no value, and has no effect upon the trade.

Anthracite coal has been continually on the free list under all protective tariffs, and even including the Dingley law, although, by a mistaken definition of anthracite as distinguished from bituminous coal, the Treasury Department was led to decide that a certain class of anthracite should pay duty. About 250,000 tons of so-called anthracite were imported between the passage of the Dingley law and the repeal of that provision, as compared with a total production of 150,000,000 tons in our own country during the intervening time, of which production coal to the value of \$12,000,000 was exported to Canada. The impossibility of the small importation having any effect upon the price of anthracite coal in our markets is apparent. Whatever the remedy may be against the anthracite combination in Pennsylvania, the tariff had nothing to do with its origin and progress.

It is said there is a beef combination that is able to control prices and limit production because of the tariff. There is a duty upon live cattle imported. The repeal of this duty would help rather than injure this combination. The repeal of the duty on dressed meats would not in the slightest degree affect its control over the market to the extent it now has. There is no place from which dressed meats could be imported in competition with our packers. We export to Canada more cattle and meat products than we import from there.

We hear something of a trust in the manufacture of agricultural implements. Our country produces these implements in many places, and they are largely exported to every part of the world, and practically none are imported. The Wilson-Gorman bill put them on the free list, with no effect whatever upon the price at home or abroad. The present duty of 20 per centum is of no value to the manufacturers, and I understand they so regard it, nor does it affect home prices in the slightest degree. The skill in production and the inventive genius of our people as respects this class of manufactures are such that our implements go the world around. The only complaint made is that France and Germany and other countries in Europe, and the Dominion of Canada, place a



high duty upon these articles exported by us, and should Canada especially persist in retaining these duties it will be done at the cost of the farmers of Canada, as Canada does not produce these articles to any extent.

No industry is more important to our country than that of iron and steel. It has been truthfully stated by somebody that the wealth of a country could be largely measured by its consumption of iron and steel products. We produced in the United States in 1880 iron and steel products to the value of \$660,000,000 in round numbers. Twenty years later we produced in value of these products in round numbers \$1,800,000,000, thus nearly tripling our product in value in twenty years, and if we could carry that product down to 1903 the increase would be still greater. We consumed in 1900 nearly as much pig iron as the United Kingdom, Germany, and France combined. These three countries are our principal competitors in the production of iron and steel, and also the principal consumers of these products outside of our country. Although England is a large exporter of iron and steel she also largely imports both. She imported from contiguous European States in 1900 twice as much steel as she imported to them. No industry has made such progress as that of iron and steel in our country. We are by far the largest producers in the world, and we are also the largest consumers.

We have for the last few years largely increased our exportations of iron and steel, and it seems to me that, with our great natural resources in this regard and the competition that will inevitable continue in their production in our own country, we shall in the future still further increase our exportations of iron and steel. Duties on them may require adjustment because of changes in production and consumption. Yet the United States Steel Corporation, which is the largest producer, contributing more than one-half the total product, has substantial competition, which has been increased since the organization of the corporation, and largely increased during the last year. Prices of its products were abnormally increased in 1900, but they are now diminishing and will continue to fall.

Effective control of trusts must be had. All parties agree that whatever can be done ought to be done to minimize and remove as far as possible the evils which exist because of these combinations. But it is plain that the adoption of free trade and the abandonment of the policy of protection is not one of these remedies.

## **THE NEW YORK WORLD ON THE MERGER CASE AND THE WORK OF THE PRESIDENT AND ADMINISTRATION WITH REFERENCE THERETO.**

[From the New York World, Tuesday, March 15, 1904.]

The decision of the Supreme Court against the Northern Securities merger is an event of vital and far-reaching importance.

So clear, so obvious, so important are the issues involved that wonder grows that a final decision in a case of the first magnitude was not reached until almost fourteen years after the passage of the Sherman act.

What is the decision: what the circumstances that led up to it; what its probable effects?

### **The Case.**

The first railway across the continent was necessarily a monopoly. As each additional line was opened the effort was made to prevent competition. This effort was particularly active in the Northwest, where the Northern Pacific and the Great Northern Railroads were natural rivals.

The Burlington and the Union Pacific were other parallel lines. The Northern Pacific secured control of the Burlington by a stock-conversion deal. To protect their interests the masters of the Union Pacific set out to capture the Northern Pacific, and this led to the great Northern Pacific war and the panic of May 9, 1901.

The financiers of Wall street met to restore peace and apportion the spoils, and out of their efforts grew the Northern Securities merger, organized in November, 1901, under the laws of New Jersey, for the purpose of holding the stock of the Northern Pacific and Great Northern companies, including the control of the Burlington. It was modestly suggested that it might later take in the Chicago, Milwaukee & St. Paul, the Chicago & Northwestern, and probably the Chicago Great Western and Wisconsin Central.

It was said that the combination was legally unassailable; that all the railroads of the United States might presently be consolidated in the hands of a few great holding companies.

This was a menace and a challenge.

### The Law.

On March 3, 1902, Attorney-General Knox, urged thereto by President Roosevelt, filed a petition against the combination and its two constituent companies in the United States Circuit Court of Minnesota under the Sherman Anti-Trust act of 1890, which provides:

Section 1. Every contract, combination in the form of trust or otherwise, or conspiracy in restraint of trade or commerce, among the several States, or with foreign nations, is hereby declared to be illegal. Every person who shall make any such contract or engage in any such combination shall be deemed guilty of a misdemeanor, and on conviction thereof shall be punished by a fine not exceeding \$5,000, or by imprisonment not exceeding one year, or by both said punishments, in the decision of the court. \* \* \*

Section 4. The several circuit courts of the United States are hereby invested with jurisdiction to prevent and restrain violations of this act; and it shall be the duty of the several district-attorneys of the United States, in their respective districts, under the direction of the Attorney-General, to institute proceedings in equity to prevent and restrain such violations.

### The Decree.

The case was vigorously pushed. One week later the Attorney-General alleged in a bill in equity filed at St. Paul that the Northern Pacific and Great Northern were "the only trans-continental lines of railway extending across the northern tier of States west of the Great Lakes \* \* \* to the Pacific Ocean, and were (previously) engaged in active competition for freight and passenger traffic"; that by the merger the defendants were monopolizing interstate and foreign commerce in violation of the Sherman act, and that the Securities Company "was not organized in good faith to purchase and pay for" the roads it acquired, but "solely to incorporate the pooling of stocks of said companies."

Mr. Knox added that if this were permitted the act of Congress could be set at naught and all the railway systems of the country could be "absorbed, amerged and consolidated, thus placing the public at the absolute mercy of the holding corporation."

This view was sustained on April 3 of last year by the United State Circuit Court of Appeals, Justice Thayer saying that Congress, after forbidding the "trusts" known at the time of the passage of the law:

Evidently anticipating that the combination might be otherwise formed, was careful to declare that a combination in any other form, if in restraint of interstate trade or commerce—that is, if it directly occasioned or effected such restraint—should likewise be deemed illegal.

#### The Supreme Court:

By a majority of five to four in the Supreme Court itself the decree of the Circuit Court is now confirmed. This is final. There is no appeal.

The decision, written by Justice Harlan, states that, than the holding company, "no scheme or device could certainly more effectively come within the prohibition of the Anti-Trust law." The law is not an interference with the right of the States to charter companies. The authority of Congress is supreme. Sweeping away by broad principles a maze of technicalities, Justice Harlan finds that the merger is "a combination in restraint of interstate and international commerce, and that is enough to bring it under the condemnation of the act."

If such a combination was not destroyed—

The entire commerce of the immense territory in the northern part of the United States, between the Great Lakes and the Pacific at Puget Sound, will be at the mercy of a single holding corporation, organized in a state distant from the people of that territory.

### The Effect.

Of business interests the decision is conservative, not destructive, not obstructive.

Because of it no wheel need cease to turn. No property is destroyed, no right of wealth invaded, no legitimate ambition assailed. The sun will rise and set as before, the rain will fall, the grain will grow as bravely in all that vast region which the



merger sought to make subject in the important matter of transportation to one corporate will. \* \* \*

The Supreme Court has proved itself the protector of the rights of the people against trusts, as upon occasion it would prove the protector of the trusts themselves against unfair attack.

Trusts, like workingmen, are entitled to the protection of the law as long as they remain within and under, not over and against the law. No man of sense expects the destruction of all commercial combinations. The shouting, insincere, hypocritical demagogue who only wishes to get power by denouncing the trusts is perhaps a greater public enemy than the trusts themselves.

### **The Future.**

Politically, the effect of the decision can hardly be exaggerated.

It will greatly strengthen President Roosevelt as a candidate. People will love him for the enemies he has made. Mr. Cleveland lost popularity among the Democratic masses by not enforcing this law. Mr. Roosevelt will gain by enforcing it.

It cannot now be said that the Republican party is owned by the trusts. It cannot now be said that Mr. Roosevelt is controlled by them. His prospects of re-election were not small before; they are brighter to-day, and, barring some act of impetuous unwisdom on his part before November, brighter they will remain.

But in the last analysis it is not the President who has triumphed. It is not the court. It is not the law. It is the people—the plain people who elect Presidents and set up courts and through their representatives do ordain the laws.

The President did what public opinion called for. The law itself was framed because public opinion demanded it.

It is public opinion and the people's will that has triumphed, as in the end it must always triumph, in the court of last resort.

### **Trust Officials as Managers of the Parker Candidacy.**

[From New York Tribune May 4, 1904.]

David B. Hill and August Belmont, in their reorganization of the Democratic State Committee at Albany, last Saturday, seem to have established close relations with the trust officials of New York and New Jersey, and especially with the American Sugar Refining Company. The declaration of the platform adopted by the Albany convention on April 18 in favor of "a reasonable revision of the tariff" and free raw material becomes illuminating, in view of the election of Cord Meyer to be chairman of the Democratic State Committee and Senator P. H. McCarren to be chairman of the executive committee, which will raise and spend the money during the campaign.

Mr. Meyer is a capitalist, and was one of the original stockholders in the first organization of the sugar trust. He was a member of the firm of Dick & Meyer, with refineries in Brooklyn, that was swallowed in the sugar trust's first organization. It is to be presumed that Mr. Meyer still retains his interests in the sugar trust because of the large dividends it has regularly paid. During the great struggle over the sugar schedule in the Wilson bill in the first year of Cleveland's second administration the statement was made that the sugar trust had contributed large sums of money to the Democratic campaign fund of 1892, not only to the national committee but to the State committees of New York and Connecticut, in the expectation of favors yet to come. Mr. Havemeyer practically admitted its truth by refusing to testify to specific amounts, but he did testify that he gave the Republicans nothing, because he could see no advantage in so doing.

It was charged by the Republicans that the sugar trust had received a promise from the Democrats that it would have the privilege of writing its own sugar schedule. It was widely published at the time that Cord Meyer waited upon members of the Cabinet and asked whether the interests of the sugar trust were



to be looked after. It was also widely published that Mr. Havemeyer himself submitted to Secretary Carlisle the sugar schedule which was taken to the Senate committee and substituted for the schedule in the Wilson bill which the Senate committee had prepared.

In the end the sugar trust had its way, and there was a great scandal surrounding the whole negotiation, including the speculation in sugar stocks by United States Senators, as disclosed by the investigation, when Mr. Havemeyer, John E. Searles and Elverton R. Chapman were reported to the district attorney for being in contempt of the Senate in refusing to answer questions. Mr. Havemeyer and Mr. Searles were released by the court on the ground that any contributions they may have made to the Democratic campaign fund could not possibly have concerned the election of any of its members, notwithstanding the fact that in 1892 there were elected legislatures which sent Edward Murphy, Jr., to the United States Senate from New York and James Smith, Jr., from New Jersey.

Senator McCarren, who has become the chairman of the New York Democratic State executive committee, is the champion defender of the sugar trust in public life. In 1897 there was an investigation of the trust question by a joint committee of the New York Senate and Assembly, of which Senator Clarence Lexow was chairman. Senator McCarren was the Democratic member of this committee on the part of the Senate.

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The man who by the use of his capital develops a great mine; the man who by the use of his capital builds a great railroad; the man who by the use of his capital, either individually or joined with others like him, does any great legitimate business enterprise, confers a benefit, not a harm, upon the community, and is entitled to be so regarded. He is entitled to the protection of the law, and in return he is to be required himself to obey the law. The law is no respecter of persons. The law is to be administered neither for the rich man as such nor for the poor man as such. It is to be administered for every man, rich or poor, if he is an honest and law-abiding citizen; and it is to be invoked against any man, rich or poor, who violates it, without regard to which end of the social scale he may stand at; without regard to whether his offense takes the form of greed and cunning or the form of physical violence. In either case, if he violates the law, the law is to be invoked against him; and in so invoking it I have the right to challenge the support of all good citizens and to demand the acquiescence of every good man. I hope I will have it; but, once for all, I wish it understood that even if I do not have it I shall enforce the law.—President Roosevelt at Butte, Mont., May 27, 1903.

Where possible, it is always better to mediate before the strike begins than to try to arbitrate when the fight is on and both sides have grown stubborn and bitter.—President Roosevelt at Labor Day picnic, Chicago, Sept. 3, 1900.

Our average fellow-citizen is a sane and healthy man, who believes in decency and has a wholesome mind. He therefore feels an equal scorn alike for the man of wealth guilty of the mean and base spirit of arrogance toward those who are less well off, and for the man of small means who in his turn either feels or seeks to excite in others the feeling of mean and base envy for those who are better off.—President Roosevelt at Syracuse, N. Y., Sept. 7, 1903.

The duties of peace are with us always; those of war are but occasional; and with a nation as with a man, the worthiness of life depends upon the way in which the everyday duties are done. The home duties are the vital duties.—President Roosevelt at Sherman statue unveiling, Oct. 15, 1903.

Above all the administration of the government, the enforcement of the laws, must be fair and honest. The laws are not to be administered either in the interest of the poor man or the interest of the rich man. They are simply to be administered justly.—President Roosevelt at Charleston, S. C., April 9, 1902.

# LABOR, WAGES, AND PRICES.

## LABOR CONDITIONS UNDER REPUBLICAN AND DEMOCRATIC ADMINISTRATIONS.

The only way in which a fair idea may be obtained of the actual conditions of labor at any time is by careful, impartial investigation. This fact was recognized when the United States Government and the governments of most of the different states of the Union and of the countries of Europe established bureaus of labor statistics.

The United States Bureau of Labor in its bulletin for July, 1904, (a) published the results of an extensive investigation into the wage conditions in leading industries throughout the country during the years 1890 to 1903. To obtain this information special agents of the Bureau of Labor were sent to representative establishments which have existed during that entire period to copy directly from the pay rolls the figures showing the number of persons employed, the average wages paid, and the hours worked per week. This investigation was the most comprehensive of its kind ever undertaken by any government. *As no figures were used unless obtained from establishments which could furnish all the information for each year of the period, the results are comparable in every detail, and as they have been taken directly from the payrolls of the establishments they are believed to be entirely trustworthy.*

The following tables compiled from the above mentioned July bulletin, show in actual and relative figures the average number of employees, the average wages per hour, and the average number of hours worked per week from 1890 to 1903, for each of 13 leading occupations. It must be remembered that the figures are for identical establishments, the number of which is given at the head of each table.

To make the study of the table easier the Bureau of Labor computed a relative number to accompany each actual number. While all comparisons might have been made with 1890 or any other year, it was thought best to take as a basis for comparison, or 100.0, not any one year, but the average during the ten years from 1890 to 1899, owing to the fact that the conditions in any one year might be abnormal. On the first line, therefore, of the table given below (for blacksmiths) appears the number 576, which was the average number employed during the ten years from 1890 to 1899 in the 166 identical establishments. In the second column is the relative number 100.0, indicating that the number 576 is taken as the basis, or 100.0. In the second line, showing the number of employees in 1890, is given the relative number 99.5, indicating that in 1890 the number of employees in the 166 establishments was 99.5 per cent of the average number employed during the ten-year period from 1890 to 1899. The other relative figures may be used in a similar manner.

### *Blacksmiths in 166 identical establishments.*

[Average 1890-1899-100.0.]

Year.	Employees.		Wages per hour.		Hours per week.	
	Actual No.	Relative No.	Actual.	Relative.	Actual No.	Relative No.
Av. 1890-99.....	576	100.0	\$0.2639	100.0	59.09	100.0
1890.....	573	99.5	.2677	101.4	59.41	100.5
1891.....	579	100.5	.2681	101.6	59.20	100.2
1892.....	583	101.2	.2672	101.3	59.37	100.5
1893.....	586	101.7	.2677	101.4	59.03	99.9
1894.....	510	88.5	.2611	98.9	58.68	99.3
1895.....	541	93.9	.2602	98.6	59.18	100.2
1896.....	548	95.1	.2643	100.2	58.93	99.7
1897.....	541	93.9	.2604	98.7	58.96	99.8
1898.....	635	110.2	.2587	98.0	59.20	100.2
1899.....	665	115.5	.2637	99.9	58.98	99.8
1900.....	695	120.7	.2685	101.7	58.87	99.6
1901.....	753	130.7	.2757	104.5	57.78	97.8
1902.....	802	139.2	.2844	107.8	57.17	96.8
1903.....	818	142.0	.2962	112.2	56.65	95.9

a The bi-monthly bulletins of the Bureau of Labor are published for free distribution and can be obtained on application to the bureau.

*Boilermakers in 97 identical establishments.*

[Average 1890-1899-100.0.]

Year.	Employees.		Wages per hour.		Hours per week.	
	Actual No.	Relative No.	Actual	Relative.	Actual No.	Relative No.
Av. 1890-99.....	1263	100.0	\$0.2609	100.0	58.55	100.0
1890.....	1336	105.8	.2594	99.4	59.25	101.2
1891.....	1291	102.2	.2577	98.8	59.23	101.2
1892.....	1327	105.1	.2585	99.1	58.88	100.6
1893.....	1280	101.3	.2583	99.0	58.39	99.7
1894.....	1105	87.5	.2614	100.2	58.83	100.5
1895.....	1136	89.9	.2629	100.8	58.47	99.9
1896.....	1236	97.9	.2626	100.7	58.02	99.1
1897.....	1197	94.8	.2607	99.9	58.11	99.2
1898.....	1354	107.2	.2617	100.3	58.30	99.6
1899.....	1369	108.4	.2654	101.7	58.06	99.2
1900.....	1477	116.9	.2773	106.3	57.36	98.0
1901.....	1585	125.5	.2794	107.1	56.82	97.0
1902.....	1624	128.6	.2800	107.3	56.33	96.2
1903.....	1700	134.6	.2848	109.2	56.24	96.1

*Bricklayers in 212 identical establishments.*

[Average 1890-1899-100.0.]

Av. 1890-99.....	4355	100.0	\$0.4387	\$100.0	51.57	100.0
1890.....	4422	101.5	.4316	98.4	53.22	103.2
1891.....	4892	112.3	.4365	99.5	52.80	102.4
1892.....	4967	114.1	.4431	101.0	52.19	100.2
1893.....	4535	104.1	.4436	101.1	51.63	100.1
1894.....	4055	93.1	.4325	98.6	51.96	100.8
1895.....	3841	88.2	.4367	99.5	51.56	100.0
1896.....	3998	91.8	.4337	98.9	51.50	99.9
1897.....	4010	92.1	.4361	99.4	51.11	99.1
1898.....	4150	95.3	.4331	98.7	50.47	97.9
1899.....	4675	107.3	.4597	104.8	49.24	95.5
1900.....	4576	105.1	.4672	106.5	49.32	95.6
1901.....	5142	118.1	.4912	112.0	48.62	94.3
1902.....	4781	109.8	.5313	121.1	48.27	93.6
1903.....	5064	116.3	.5471	124.7	47.83	92.7

*Carpenters in 227 identical establishments.*

[Average 1890-1899-100.0.]

Av. 1890-99.....	5655	100.0	\$0.2751	100.0	54.85	100.0
1890.....	5923	104.7	.2713	98.6	55.94	102.0
1891.....	6231	110.2	.2730	99.2	55.56	101.3
1892.....	6461	114.3	.2825	102.7	55.12	100.5
1893.....	5528	97.8	.2744	99.7	55.22	100.7
1894.....	5049	89.3	.2693	97.9	55.27	100.8
1895.....	5021	88.8	.2692	97.9	55.05	100.4
1896.....	5413	95.7	.2740	99.6	54.67	99.7
1897.....	5403	95.5	.2748	99.9	54.20	98.8
1898.....	5402	95.5	.2790	101.4	54.02	98.5
1899.....	6120	108.2	.2839	103.2	53.42	97.4
1900.....	6336	112.0	.3049	110.8	51.86	94.5
1901.....	6660	117.8	.3190	116.0	50.74	92.5
1902.....	6906	122.1	.3403	123.7	49.70	90.6
1903.....	6580	116.4	.3594	130.6	49.41	90.1

*Compositors in 91 identical establishments.*

[Average 1890-1899-100.0.]

Av. 1890-99.....	1148	100.0	\$0.3939	100.0	52.53	100.0
1890.....	1508	131.4	.3980	101.0	53.15	101.2
1891.....	1530	133.3	.3997	101.5	52.62	100.2
1892.....	1494	130.1	.4013	101.9	52.58	100.1
1893.....	1327	115.6	.3933	99.8	53.13	101.1
1894.....	1055	91.9	.3796	96.4	52.75	100.4
1895.....	915	79.7	.3827	97.2	52.73	100.4
1896.....	883	76.9	.3897	98.9	52.58	100.1
1897.....	928	80.8	.3925	99.6	52.47	99.9
1898.....	898	78.2	.3934	99.9	52.06	99.1
1899.....	944	82.2	.4086	103.7	51.26	97.6
1900.....	969	84.4	.4071	103.4	51.09	97.3
1901.....	959	83.5	.4252	107.9	50.37	95.9
1902.....	954	83.1	.4352	110.5	49.96	95.1
1903.....	1009	87.9	.4467	113.4	49.81	94.8

a The decrease in the number of compositors employed is due largely to the creation of the new occupation "Linotype Operators" upon the introduction of the linotype.



*Hodcarriers in 250 identical establishments.*

[Average 1890-1899-100.0.]

Year.	Employees.		Wages per hour.		Hours per week.	
	Actual No.	Relative No.	Actual.	Relative.	Actual No.	Relative No.
Av. 1890-99.....	4242	100.0	\$0.2329	100.0	51.60	100.0
1890.....	4327	102.0	.2259	97.0	52.78	102.3
1891.....	4644	109.5	.2248	96.5	52.54	101.8
1892.....	4894	115.4	.2314	99.4	51.81	100.4
1893.....	4455	105.0	.2325	99.8	51.64	100.1
1894.....	3698	87.2	.2303	98.9	52.03	100.8
1895.....	3844	90.6	.2320	99.6	51.53	99.9
1896.....	3959	93.3	.2335	100.3	51.45	99.7
1897.....	3996	94.2	.2322	99.7	51.42	99.7
1898.....	3920	92.4	.2343	100.6	51.01	98.9
1899.....	4685	110.4	.2518	108.1	49.79	96.5
1900.....	4417	104.1	.2498	107.3	49.79	96.5
1901.....	5097	120.2	.2546	109.3	49.35	95.6
1902.....	5062	119.3	.2676	114.9	48.56	94.1
1903.....	5242	123.6	.2863	122.9	47.98	93.0

*Ironmolders in 183 identical establishments.*

[Average 1890-1899-100.0.]

Av. 1890-99.....	2974	100.0	\$0.2526	100.0	59.31	100.0
1890.....	2962	99.6	.2540	100.6	59.51	100.3
1891.....	2952	99.3	.2565	101.5	59.60	100.5
1892.....	3032	102.0	.2548	100.9	59.49	100.3
1893.....	3181	107.0	.2557	101.2	59.18	99.8
1894.....	2519	84.7	.2472	97.9	59.10	99.6
1895.....	2781	93.5	.2476	98.0	59.29	100.0
1896.....	2909	97.8	.2507	99.2	59.24	99.9
1897.....	2732	91.9	.2525	100.0	59.17	99.8
1898.....	3234	108.7	.2503	99.1	59.34	100.1
1899.....	3439	115.6	.2568	101.7	59.14	99.7
1900.....	3790	127.4	.2694	106.7	59.07	99.6
1901.....	3793	127.5	.2739	108.4	58.47	98.6
1902.....	3968	133.4	.2894	114.6	57.65	97.2
1903.....	4248	141.8	.3036	120.2	56.80	95.8

*Laborers in 146 identical establishments.*

[Average 1890-1899-100.0.]

Av. 1890-99.....	4460	100.0	\$0.1467	100.0	58.84	100.0
1890.....	5118	114.8	.1507	102.7	59.02	100.3
1891.....	4861	109.0	.1511	103.0	59.02	100.3
1892.....	4812	107.9	.1519	103.5	59.02	100.3
1893.....	4516	101.3	.1493	101.8	58.80	99.9
1894.....	4128	92.6	.1419	96.7	58.76	99.9
1895.....	3796	85.1	.1440	98.2	58.88	100.1
1896.....	4018	90.1	.1415	96.5	58.92	100.1
1897.....	4000	89.7	.1445	98.5	58.80	99.9
1898.....	4524	101.4	.1466	99.9	58.44	99.3
1899.....	4822	108.1	.1457	99.3	58.71	99.8
1900.....	5275	118.3	.1461	99.6	58.27	99.0
1901.....	4648	104.2	.1585	108.0	57.98	98.5
1902.....	5317	119.2	.1644	112.1	56.66	96.3
1903.....	5082	113.9	.1676	114.2	56.13	95.4

*Machinists in 218 identical establishments.*

[Average 1890-1899-100.0.]

Av. 1890-99.....	5414	100.0	\$0.2404	100.0	59.12	100.0
1890.....	5302	97.9	.2413	100.4	59.52	100.7
1891.....	5414	100.0	.2435	101.3	59.47	100.6
1892.....	5409	99.9	.2459	102.3	59.24	100.2
1893.....	5677	104.9	.2450	101.9	59.03	99.8
1894.....	4339	80.1	.2347	97.6	59.07	99.9
1895.....	4917	90.8	.2347	97.6	59.08	99.9
1896.....	5176	95.6	.2397	99.7	59.01	99.8
1897.....	5059	93.4	.2397	99.7	58.96	99.7
1898.....	6058	111.9	.2377	98.9	59.11	100.0
1899.....	6793	125.5	.2417	100.5	58.72	99.3
1900.....	7088	130.9	.2485	103.4	58.56	99.1
1901.....	7646	141.2	.2555	106.3	57.37	97.0
1902.....	8221	151.8	.2646	110.1	56.56	95.7
1903.....	8576	158.4	.2709	112.7	56.12	94.9

*Painters in 203 identical establishments.*

[Average 1890-1899-100.0.]

Year.	Employees.		Wages per hour.		Hours per week.	
	Actual No.	Relative No.	Actual	Relative.	Actual No.	Relative No.
Av. 1890-99.....	3676	100.0	\$0.2763	100.0	53.82	100.0
1890.....	3541	96.3	.2680	97.0	55.23	102.6
1891.....	3708	100.9	.2712	98.2	54.86	101.9
1892.....	3877	105.5	.2747	99.4	54.43	101.1
1893.....	3666	99.7	.2795	101.2	53.86	100.1
1894.....	3450	93.9	.2737	99.1	54.01	100.4
1895.....	3460	94.1	.2720	98.4	53.87	100.1
1896.....	3648	99.2	.2742	99.2	53.61	99.6
1897.....	3737	101.7	.2778	100.5	53.28	99.0
1898.....	3723	101.3	.2827	102.3	52.79	98.1
1899.....	3953	107.5	.2892	104.7	52.27	97.1
1900.....	4089	111.2	.3054	110.5	50.91	94.6
1901.....	4284	116.5	.3170	114.7	49.85	92.6
1902.....	4254	115.7	.3303	119.5	49.27	91.5
1903.....	4021	109.4	.3450	124.9	48.89	90.8

*Plumbers in 221 identical establishments.*

[Average 1890-1899-100.0.]

Av. 1890-99.....	1380	100.0	\$0.3550	100.0	53.23	100.0
1890.....	1368	99.1	.3464	97.6	54.33	102.1
1891.....	1384	100.3	.3488	98.3	54.09	101.6
1892.....	1427	103.4	.3511	98.9	53.86	101.2
1893.....	1377	99.8	.3552	100.1	53.36	100.2
1894.....	1303	94.4	.3515	99.0	53.28	100.1
1895.....	1301	94.3	.3546	99.9	53.08	99.7
1896.....	1365	98.9	.3505	98.7	52.86	99.3
1897.....	1367	99.1	.3598	101.4	52.67	98.9
1898.....	1443	104.6	.3638	102.5	52.53	98.7
1899.....	1466	106.2	.3684	103.8	52.28	98.2
1900.....	1523	110.4	.3811	107.4	51.40	96.6
1901.....	1633	118.3	.3935	110.8	50.77	95.4
1902.....	1627	117.9	.4122	116.1	49.52	93.0
1903.....	1595	115.6	.4371	123.1	48.97	92.0

*Stonecutters (granite) in 72 identical establishments.*

[Average 1890-1899-100.0.]

Av. 1890-99.....	775	100.0	\$0.3628	100.0	52.71	100.0
1890.....	938	121.0	.3730	102.8	52.73	100.0
1891.....	880	113.5	.3803	104.8	52.54	99.7
1892.....	882	113.8	.3750	103.4	52.70	100.0
1893.....	778	100.4	.3618	99.7	53.12	100.8
1894.....	705	91.0	.3593	99.0	52.84	100.2
1895.....	685	88.4	.3611	99.5	52.67	99.9
1896.....	709	91.5	.3590	99.0	52.77	100.1
1897.....	678	87.5	.3524	97.1	52.99	100.5
1898.....	698	90.1	.3467	95.6	53.04	100.6
1899.....	798	103.0	.3594	99.1	51.70	98.1
1900.....	901	116.3	.3923	108.1	50.20	95.2
1901.....	852	109.9	.3868	106.6	49.96	94.8
1902.....	856	110.5	.3938	108.5	49.67	94.2
1903.....	900	116.1	.4225	116.5	48.67	92.3

*Masons (stone) in 115 identical establishments.*

[Average 1890-1899-100.0.]

Av. 1890-99.....	886	100.0	\$0.3617	100.0	53.83	100.0
1890.....	947	106.9	.3722	102.9	54.54	101.3
1891.....	1021	115.2	.3732	103.2	54.51	101.3
1892.....	984	111.1	.3673	101.5	54.49	101.2
1893.....	898	101.4	.3644	100.7	54.17	100.6
1894.....	799	90.2	.3440	95.1	54.34	100.9
1895.....	798	90.1	.3485	96.4	54.05	100.4
1896.....	828	93.5	.3547	98.1	53.97	100.3
1897.....	796	89.8	.3628	100.3	53.05	98.6
1898.....	932	105.2	.3581	99.0	52.43	97.4
1899.....	860	97.1	.3719	102.8	52.73	98.0
1900.....	935	105.5	.3788	104.7	51.89	96.4
1901.....	927	104.6	.4007	110.8	51.23	95.2
1902.....	954	107.7	.4304	119.0	50.19	93.2
1903.....	1073	121.1	.4486	124.0	49.54	92.0

The following tables show the percentage of increase or decrease in the number of employees, average wages per hour, and average hours worked per week in the 13 leading occupations in 1903, compared with each preceding year from 1890 to 1892.

[The figures in this table give under each year the per cent of increase or decrease in wages per hour (indicated by + and —) which the 1903 figures show as compared with the year specified. For example, under the year 1898 opposite blacksmiths appears + 14.5; this shows that the wages of blacksmiths were 14.5 per cent higher in 1903 than in 1898. Under the year 1895 opposite carpenters appears + 33.5; this shows that the wages of carpenters were 33.5 per cent higher in 1903 than in 1895, etc., etc.]

*Per cent of increase or decrease in the average wages per hour in 13 leading occupations in 1903 compared with each preceding year.*

Occupations.	Per cent. of increase (+) or decrease (—) in 1903 compared with—												
	1890	1891	1892	1893	1894	1895	1896	1897	1898	1899	1900	1901	1902
Blacksmiths.....	+10.6	+10.5	+10.9	+10.6	+13.4	+13.8	+12.1	+13.7	+14.5	+12.3	+10.3	+7.4	+4.1
Boilermakers.....	+9.8	+10.5	+10.2	+10.3	+9.0	+8.3	+8.5	+9.2	+8.8	+7.3	+2.7	+1.9	+1.7
Bricklayers.....	+26.8	+25.3	+23.5	+23.3	+26.5	+25.3	+26.1	+25.5	+26.3	+19.0	+17.1	+11.4	+3.0
Carpenters.....	+32.5	+31.6	+27.2	+31.0	+33.5	+33.5	+31.2	+30.8	+28.8	+26.6	+17.9	+12.7	+5.6
Compositors.....	+12.2	+11.8	+11.3	+13.6	+17.7	+16.7	+14.6	+13.8	+13.5	+9.3	+9.7	+5.1	+2.6
Hodcarriers.....	+26.7	+27.4	+23.7	+23.1	+24.3	+23.4	+22.6	+23.3	+22.2	+13.7	+14.6	+12.5	+7.0
Iron molders.....	+19.5	+18.4	+19.2	+18.7	+22.8	+22.6	+21.1	+20.2	+21.3	+18.2	+12.7	+10.8	+4.9
Laborers.....	+11.2	+10.9	+10.3	+12.3	+18.1	+16.4	+18.4	+16.0	+14.3	+15.0	+14.7	+5.7	+1.9
Machinists.....	+12.3	+11.3	+10.2	+10.6	+15.4	+15.4	+13.0	+13.0	+14.0	+12.1	+9.0	+6.0	+2.4
Masons, stone.....	+20.5	+20.2	+22.1	+23.1	+30.4	+28.7	+26.5	+23.6	+25.3	+20.6	+18.4	+12.0	+4.2
Painters.....	+28.7	+27.2	+25.6	+23.4	+26.1	+26.8	+25.8	+24.2	+22.0	+19.3	+13.0	+8.8	+4.5
Plumbers.....	+26.2	+25.3	+24.5	+23.1	+24.4	+23.3	+24.7	+21.5	+20.1	+18.6	+14.7	+11.1	+6.0
Stonecutters.....	+13.3	+11.1	+12.7	+16.8	+17.6	+17.0	+17.7	+19.9	+21.9	+17.6	+7.7	+9.2	+7.3

*Per cent of increase or decrease in the number of employes in 13 leading occupations in 1903 compared with each preceding year.*

Blacksmiths.....	+42.8	+41.3	+40.3	+39.6	+60.4	+51.2	+49.3	+51.2	+28.8	+23.0	+17.7	+8.6	+2.0
Boilermakers.....	+27.2	+31.7	+28.1	+32.8	+53.5	+49.6	+37.5	+42.0	+25.6	+24.2	+15.1	+7.3	+4.7
Bricklayers.....	+14.5	+3.5	+2.0	+11.7	+24.9	+31.8	+26.7	+26.3	+22.0	+8.3	+10.7	+1.5	+5.9
Carpenters.....	+11.1	+5.6	+1.8	+19.0	+30.3	+31.0	+21.6	+21.8	+21.8	+7.5	+3.9	+1.2	+4.7
Compositors.....	+33.1	+34.1	+32.5	+24.0	+4.4	+10.3	+14.3	+8.7	+12.4	+6.9	+4.1	+5.2	+5.8
Hodcarriers.....	+21.1	+12.9	+7.1	+17.7	+41.8	+36.4	+32.4	+31.2	+33.7	+11.9	+18.7	+2.8	+3.6
Iron molders.....	+42.4	+42.9	+39.1	+32.6	+67.4	+51.7	+45.0	+54.4	+30.4	+22.7	+11.3	+11.2	+6.3
Laborers.....	+0.7	+4.5	+5.6	+12.5	+23.1	+33.9	+26.5	+27.1	+12.3	+5.4	+3.7	+9.3	+4.4
Machinists.....	+61.8	+58.4	+58.6	+51.1	+97.6	+74.4	+65.7	+69.5	+41.6	+26.2	+21.0	+12.2	+4.3
Masons, stone.....	+13.3	+5.1	+9.0	+19.5	+34.3	+34.5	+29.6	+34.8	+15.1	+24.8	+14.8	+15.7	+12.5
Painters.....	+13.6	+8.4	+3.7	+9.7	+16.6	+16.2	+10.2	+7.6	+8.0	+1.7	+1.7	+6.1	+5.5
Plumbers.....	+16.6	+15.2	+11.8	+15.8	+22.4	+22.6	+16.8	+16.7	+10.5	+8.8	+4.7	+2.3	+2.0
Stonecutters.....	+4.1	+2.3	+2.0	+15.7	+27.7	+31.4	+26.9	+32.7	+28.9	+12.8	+0.1	+5.6	+5.1

[The figures in this table give under each year the per cent of increase or decrease in number of employees (indicated by + and —) which the 1903 figures show as compared with the year specified. For example, under the year 1894 opposite blacksmiths appears + 60.4; this shows that the number of blacksmiths employed in the 166 establishments covered by the figures was 60.4 per cent greater in 1903 than in 1894. Under the year 1894 opposite machinists appears + 97.6; this shows that the number of machinists employed was 97.6 per cent greater in 1903 than in 1894, etc., etc.]



The figures in this table give under each year the per cent of increase or decrease in the average hours of labor per week indicated by + and — which the 1903 figures show as compared with the year specified. For example, under the year 1890 opposite blacksmiths appear — 4.6; this shows that the weekly hours of work in 1903 were 4.6 per cent less than in 1890. Opposite carpenters under the year 1890 is seen — 11.7, showing that the weekly hours of carpenters decreased 11.7 per cent between 1890 and 1903, etc., etc.]

*Per cent of increase or decrease in the average hours of work per week in 13 leading occupations in 1903 compared with each preceding year.*

Occupations.	Per cent of increase (+) or decrease (—) in 1903 compared with—												
	1890	1891	1892	1893	1894	1895	1896	1897	1898	1899	1900	1901	1902
Blacksmiths.....	— 4.6	— 4.3	— 4.6	— 4.0	— 3.5	— 4.3	— 3.9	— 3.9	— 4.3	— 4.0	— 3.8	— 2.0	— 0.9
Boilermakers.....	— 5.1	— 5.0	— 4.5	— 3.7	— 4.4	— 3.8	— 3.1	— 3.2	— 3.5	— 3.1	— 2.0	— 1.0	— 0.2
Bricklayers.....	— 10.1	— 9.4	— 8.4	— 7.4	— 7.9	— 7.2	— 7.1	— 6.4	— 5.2	— 2.9	— 3.0	— 1.6	— 0.9
Carpenters.....	— 11.7	— 11.1	— 10.4	— 10.5	— 10.6	— 10.2	— 9.6	— 8.8	— 8.5	— 7.5	— 4.7	— 2.6	— 0.6
Compositors.....	— 6.3	— 5.3	— 5.3	— 6.2	— 5.6	— 5.5	— 5.3	— 5.1	— 4.3	— 2.8	— 2.5	— 1.1	— 0.3
Hodcarriers.....	— 9.1	— 8.7	— 7.4	— 7.1	— 7.8	— 6.9	— 6.7	— 6.7	— 5.9	— 3.6	— 3.6	— 2.8	— 1.2
Iron molders.....	— 4.6	— 4.7	— 4.5	— 4.0	— 3.9	— 4.2	— 4.1	— 4.0	— 4.3	— 4.0	— 3.8	— 2.9	— 1.5
Labors.....	— 4.9	— 4.9	— 4.9	— 4.5	— 4.5	— 4.7	— 4.7	— 4.5	— 4.0	— 4.4	— 3.7	— 3.2	— 0.9
Machinists.....	— 5.7	— 5.6	— 5.3	— 4.9	— 5.0	— 5.0	— 4.9	— 4.8	— 5.1	— 4.4	— 4.2	— 3.2	— 0.8
Masons, stone.....	— 9.2	— 10.1	— 9.1	— 8.5	— 8.8	— 8.3	— 8.2	— 6.6	— 5.5	— 6.0	— 4.5	— 3.3	— 1.3
Painters.....	— 11.5	— 10.9	— 10.2	— 9.2	— 9.5	— 9.2	— 8.8	— 8.2	— 7.4	— 6.5	— 4.0	— 1.9	— 0.8
Plumbers.....	— 9.9	— 9.5	— 9.1	— 8.2	— 8.1	— 7.7	— 7.4	— 7.0	— 6.8	— 6.3	— 4.7	— 3.5	— 1.1
Stonecutters.....	— 7.7	— 7.4	— 7.6	— 8.4	— 7.9	— 7.6	— 7.8	— 8.2	— 8.2	— 5.9	— 3.0	— 2.6	— 2.0

These figures show that during the administrations of Presidents McKinley and Roosevelt there were more persons employed in industrial establishments, and higher wages were paid employees than during the period of Democratic rule.

Taking up each occupation separately for discussion, we find that there were 49.3 per cent. more blacksmiths employed in the 166 establishments in 1903 than in 1896, and that the average wages per hour of these blacksmiths were 12.1 per cent. higher in 1903 than in 1896.

There were 37.5 per cent. more boiler makers employed in the 97 establishments in 1903 than in 1896, and the average wages per hour of these boiler makers were 8.5 per cent. higher. There were 26.7 per cent more bricklayers employed in the 212 establishments in 1896 than in 1903, and these bricklayers received an average of 26.1 per cent more wages per hour.

There were 21.6 per cent more carpenters in the same 227 establishments in 1903 than in 1896, and they received 31.2 per cent more wages per hour.

There were 14.3 per cent more compositors in the same establishments in 1903 than in 1896, and they received an average of 14.6 per cent more wages.

The same 250 establishments employed 32.4 per cent more hod carriers in 1903 than in 1896, and paid them an average of 22.6 per cent more wages per hour.

The same 183 establishments employed 45 per cent more iron molders in 1903 than in 1896, and paid them 21.1 per cent more wages per hour.

The same 146 establishments employed 26.5 per cent more day laborers in 1903 than in 1896, and gave them 18.4 per cent more wages per hour.

The same 218 establishments employed 65.7 per cent more machinists in 1903 than in 1896, and paid them 13 per cent more wages per hour.

The same 115 establishments employed 29.6 per cent more stone masons in 1903 than in 1896, and paid them 26.5 per cent more wages per hour.

The same 203 establishments employed 10.2 per cent more painters in 1903 than in 1896, and gave them 25.8 per cent more wages per hour.

The same 221 establishments employed 16.8 per cent more plumbers in 1903 than in 1896, and paid them 24.7 per cent more wages per hour.

The same 72 establishments employed 26.9 per cent more stone cutters in 1903 than in 1896, and gave them 17.7 per cent more wages per hour.

If these figures are representative of labor conditions generally for the occupations given, and there is no reason why they should not be, they show the following interesting facts:

#### Employment.

For every 100 blacksmiths employed in 1896 there were 149 blacksmiths employed in 1903; for every 100 boiler makers employed in 1896 there were 137 employed in 1903; for every 100 bricklayers employed in 1896 there were 127 employed in 1903; for every 100 carpenters employed in 1896 there were 122 employed in 1903; for every 100 compositors employed in 1896 there were 114 employed in 1903; for every 100 hod carriers employed in 1896 there were 132 employed in 1893; for every 100 iron molders employed in 1896 there were 145 employed in 1903; for every 100 day laborers employed in 1896 there were 126 employed in 1903; for every 100 machinists employed in 1896 there were 166 employed in 1903; for every 100 stone masons employed in 1896 there were 130 employed in 1903; for every 100 house painters employed in 1896 there were 110 employed in 1903; for every 100 plumbers employed in 1896 there were 117 employed in 1903; for every 100 stone cutters employed in 1896 there were 127 employed in 1903.

#### Wages.

For every dollar paid to a blacksmith in 1896, \$1.12 were paid in 1903 for the same amount of labor; for every dollar paid to a boiler maker in 1896, \$1.08½ were paid in 1903; for every dollar paid to a bricklayer in 1896, \$1.26 were paid in 1903; for every dollar paid to a carpenter in 1896, \$1.31 were paid in 1903; for every dollar paid to a compositor in 1896, \$1.14½ were paid in 1903; for every dollar paid to a hod-carrier in 1896, \$1.22½ were paid in 1903; for every dollar paid to an iron molder in 1896, \$1.21 were paid in 1903; for every dollar paid to a laborer in 1896, \$1.18½ were paid in 1903; for every dollar paid to a machinist in 1896, \$1.13 were paid in 1903; for every dollar paid to a stone mason in 1896, \$1.26½ were paid in 1903; for every dollar paid to a painter in 1896, \$1.26 were paid in 1903; for every dollar paid to a plumber in 1896, \$1.24½ were paid in 1903; for every dollar paid to a stone cutter in 1896, \$1.17½ were paid in 1903.

The 13 occupations for which figures have been shown in detail are among the great representative occupations that are to be found in every section of the country. There are also many occupations that are very important in certain particular sections of the country. Figures for 519 such occupations are given in detail in the Bulletin of the Bureau of Labor from which the

figures here quoted are taken, but the limited space in this book will not permit a reprint of all occupations.

In the Bulletin named the figures for the several occupations of each of the industries represented are also combined to form a summary for each industry, thus giving an opportunity to study the figures for each industry as a whole.

The summaries for a few important industries are here reproduced, namely, bar iron, boots and shoes, cigars, cotton goods, and lumber. The explanation given of the preceding tables applies to these tables as well.

## BAR IRON INDUSTRY.

Year.	Employees.		Hours per week.		Wages per hour.	
	Relative number.	Per cent of increase (+) or decrease (—) in 1903 as compared with year specified.	Relative number.	Per cent of increase (+) or decrease (—) in 1903 as compared with year specified.	Relative.	Per cent of increase (+) or decrease (—) in 1903 as compared with year specified.
1890 ...	99.4	+ 9.9	102.7	—4.2	110.3	+23.8
1891 ...	98.4	+11.0	101.6	—3.1	105.0	+30.0
1892 ...	98.3	+11.1	101.8	—3.3	100.0	+36.5
1893 ...	105.9	+ 3.1	101.4	—3.0	95.7	+42.6
1894 ...	100.2	+ 9.0	101.3	—2.9	90.1	+51.5
1895 ...	103.7	+ 5.3	100.7	—2.3	91.6	+49.0
1896 ...	93.9	+16.3	101.0	—2.6	99.3	+37.5
1897 ...	97.7	+11.8	97.1	+1.3	98.0	+39.3
1898 ...	99.7	+ 9.5	96.6	+1.9	96.3	+41.7
1899 ...	101.6	+ 7.5	95.9	+2.6	113.7	+20.1
1900 ...	108.9	+ 3	97.3	+1.1	118.2	+15.5
1901 ...	100.7	+ 8.4	98.4	.....	119.7	+14.0
1902 ...	104.1	+ 4.9	98.8	— .4	132.9	+ 2.7
1903 ...	109.2	.....	98.4	.....	136.5	.....

## BOOT AND SHOE INDUSTRY.

Year.	Relative number.	Per cent of increase (+) or decrease (—) in 1903 as compared with year specified.	Relative number.	Per cent of increase (+) or decrease (—) in 1903 as compared with year specified.	Relative.	Per cent of increase (+) or decrease (—) in 1903 as compared with year specified.
1890 ...	77.2	+68.9	100.2	—3.6	97.9	+18.1
1891 ...	80.0	+63.0	100.8	—4.2	96.2	+20.2
1892 ...	86.4	+50.9	100.5	—3.9	98.2	+17.7
1893 ...	97.1	+34.3	100.1	—3.5	100.5	+15.0
1894 ...	99.0	+31.7	99.9	—3.3	99.5	+16.2
1895 ...	103.2	+26.4	99.9	—3.3	100.6	+14.9
1896 ...	110.5	+18.0	99.8	—3.2	100.7	+14.8
1897 ...	111.3	+17.2	99.7	—3.1	102.5	+12.8
1898 ...	111.3	+17.2	99.6	—3.0	101.8	+13.6
1899 ...	118.4	+10.1	99.5	—2.9	102.3	+13.0
1900 ...	123.2	+ 5.8	99.0	—2.4	105.3	+ 9.8
1901 ...	127.7	+ 2.1	99.2	—2.6	105.2	+ 9.9
1902 ...	124.0	+ 5.2	98.0	—1.4	108.8	+ 6.3
1903 ...	130.4	.....	96.6	.....	115.6	.....

## CIGAR INDUSTRY.

Year.	Relative number.	Per cent of increase (+) or decrease (—) in 1903 as compared with year specified.	Relative number.	Per cent of increase (+) or decrease (—) in 1903 as compared with year specified.	Relative.	Per cent of increase (+) or decrease (—) in 1903 as compared with year specified.
1890 ...	76.0	+56.3	100.1	+1.3	100.3	+16.6
1891 ...	85.2	+39.4	99.6	+1.8	100.6	+16.2
1892 ...	90.3	+31.6	99.2	+2.2	99.6	+17.4
1893 ...	100.5	+18.2	99.7	+1.7	100.0	+16.9
1894 ...	103.5	+14.8	99.9	+1.5	99.0	+18.1
1895 ...	109.9	+ 8.1	99.8	+1.6	97.2	+20.3
1896 ...	95.2	+24.8	100.4	+1.0	98.6	+18.6
1897 ...	107.4	+10.6	100.0	+1.4	102.4	+14.2
1898 ...	107.7	+10.3	100.3	+1.1	101.1	+15.6
1899 ...	119.9	— .9	101.0	+ .4	101.3	+15.4
1900 ...	93.9	+26.5	99.8	+1.6	100.8	+16.0
1901 ...	106.1	+11.9	100.6	+ .8	112.5	+ 3.9
1902 ...	116.0	+ 2.4	100.9	+ .5	110.0	+ 6.3
1903 ...	118.8	.....	101.4	.....	116.9	.....

## COTTON GOODS INDUSTRY.

Year.	Relative number.	Per cent of increase (+) or decrease (—) in 1903 as compared with year specified.	Relative number.	Per cent of increase (+) or decrease (—) in 1903 as compared with year specified.	Relative.	Per cent of increase (+) or decrease (—) in 1903 as compared with year specified.
1890 ...	87.8	+22.1	99.9	—0.9	102.8	+19.7
1891 ...	98.3	+ 9.1	100.7	—1.7	98.9	+24.5
1892 ...	95.8	+11.9	101.2	—2.2	100.2	+22.9
1893 ...	98.2	+ 9.2	99.9	— .9	103.5	+18.9
1894 ...	96.1	+11.6	98.6	+ .4	96.8	+27.2
1895 ...	94.8	+13.1	100.0	—1.0	96.9	+27.0
1896 ...	98.8	+ 8.5	99.5	— .5	104.8	+17.5
1897 ...	104.6	+ 2.5	99.4	— .4	101.1	+21.8
1898 ...	112.5	— 4.7	100.3	—1.3	99.9	+23.2
1899 ...	112.1	— 4.4	100.4	—1.4	97.7	+26.0
1900 ...	115.5	— 7.2	100.2	—1.2	109.1	+12.8
1901 ...	109.0	— 1.7	100.0	—1.0	110.3	+11.6
1902 ...	117.2	— 8.5	99.2	— .2	116.2	+ 5.9
1903 ...	107.2	.....	99.0	.....	123.1	.....



## LUMBER INDUSTRY.

Year.	Employees.		Hours per week.		Wages per hour.	
	Relative number.	Percent of increase (+) or decrease (—) in 1903 as compared with year specified.	Relative number.	Percent of increase (+) or decrease (—) in 1903 as compared with year specified.	Relative.	Per cent of increase (+) or decrease (—) in 1903 as compared with year specified.
1890....	94.2	+32.6	100.4	-2.1	102.8	+10.2
1891....	95.7	+30.5	100.2	-1.9	102.4	+10.6
1892....	96.1	+30.0	100.2	-1.9	102.1	+11.0
1893....	95.6	+30.6	99.7	-1.4	101.7	+11.4
1894....	95.3	+31.1	99.7	-1.4	97.8	+15.8
1895....	96.3	+29.7	100.1	-1.8	97.2	+16.6
1896....	99.1	+26.0	100.1	-1.8	97.0	+16.8
1897....	105.0	+19.0	99.9	-1.6	97.4	+16.3
1898....	107.6	+16.1	99.8	-1.5	99.4	+14.0
1899....	111.3	+12.2	99.8	-1.5	102.2	+10.9
1900....	115.5	+ 8.1	99.5	-1.2	104.4	+ 8.5
1901....	118.7	+ 5.2	99.1	— .8	106.5	+ 6.4
1902....	123.6	+ 1.1	98.4	— .1	109.5	+ 3.5
1903....	124.9	.....	98.3	.....	113.3	.....

Taken all in all the preceding figures show that, as far as wages and employment are concerned, this country has never seen such an era of prosperity as that which was inaugurated when industry was enabled to adjust itself to the stable conservative protective policy of the present administration. *Never in modern times has employment been as secure and general, and never in the history of the country have wages been as high as during the past few years.*

## WAGES AND COST OF LIVING.

**Comparison of Day Wages with Retail Prices in 1896 and 1903—A Day's Wages Will Buy More of the Requirements of Daily Life Now Than in 1896—Labor Bureau Figures.**

The claim is often made that while wages have advanced they have not kept pace with the increased cost of living. The absolute falsity of this assertion is readily shown by a study of retail prices of articles of daily requirement, as published in the United States Bureau of Labor Bulletin No. 53, in connection with the wages paid in leading occupations. This bulletin was issued in July, 1904, and thus contains the very latest available data on the subject. It is there stated that this is the first extended investigation covering a long series of years that has been made into retail prices in this country. All previous collections of price data covering a period of years have dealt solely with wholesale prices which, of course, do not represent accurately or even approximately the cost to the small consumer. The figures collected by the Bureau of Labor were secured by its agents directly from the books of account of over 800 retail merchants whose patrons largely belong to the class of small consumers. Covering actual sales in all parts of the country the figures may, therefore, be considered thoroughly representative as well as trustworthy. A comparative study of these figures and those for wages just given shows that the increased wages of bricklayers, carpenters, hod carriers, iron molders, laborers, stone masons, house painters, plumbers, stone cutters, etc., have not only kept pace with food prices, but that they have risen much more, and that a day's wages of workingmen in these occupations can purchase much more food in 1903 than in 1896. Even if it were not so, and if wages and prices had increased in the same proportion it must not be forgotten that with such higher wages and prices the difference between the income and expenditures is greater in actual dollars and cents. For instance, if a workingman earned \$700 per year in 1896 and expended \$600 he would save \$100. If in 1903 both the wages and prices had increased 15 per cent., his wages would then be \$805, and his expenditures \$690, and his savings, in consequence, would be \$115. As a matter of fact,

however, wage rates in the leading occupations have increased more than prices, and not only have the wage rates increased, but those employed have had much more constant employment in 1903 than in 1896.

In the Bureau of Labor report the average price of each commodity as a whole could not be stated in dollars and cents because the articles for which retail prices were shown vary more or less as to kind and quality in different localities. The averages have, therefore, been computed on a percentage represented as 100, or the base, and the prices from year to year being indicated by relative figures.

These relative figures consist of a series of percentages showing the per cent the price in each year was of the average price for the ten-year period from 1890 to 1899. This average price for the ten-year period was selected as the base because it represented the average conditions more nearly than the price in any one year which might be selected as a base for all articles. The following table shows the relative price of the 30 principal articles of food considered in the Bureau of Labor Bulletin. In order to make clear the manner of using the relative figures we take, for example, the column showing the figures for "Beef, fresh roasts and stews"; it is seen that the price in 1890 was 99.5 per cent of the average price for the period from 1890 to 1899. In 1891 the price was exactly the average price for the ten-year period—that is, 100.0. The lowest point reached was in 1894, when the price was 98.3 per cent of the average price for the ten-year period. The highest point reached was in 1902, when it stood at 118.6, or 18.6 per cent higher than the average price for the base period, 1890 to 1899. In 1903 a considerable decline from the price in 1902 is seen, the relative price being 113.1, or 13.1 per cent higher than the price for the base period. The table follows:

*Relative retail prices of the principal articles of food, 1890 to 1903.*

[Average 1890-1899-100.0.]

Year.	Ap- ples, evapo- rated.	Beans, dry.	Beef, fresh, roasts and stews.	Beef, fresh, steaks.	Beef, salt.	Bread, wheat.	But- ter.	Cheese.	Chick- ens.	Cof- fee.
1890....	109.0	103.3	99.5	98.8	97.5	100.3	99.2	98.8	101.3	105.4
1891....	110.3	106.2	100.0	99.4	98.3	100.3	106.4	100.3	104.0	105.2
1892....	99.3	102.4	99.6	99.3	99.5	100.3	106.8	101.5	103.8	103.8
1893....	107.0	105.0	99.0	99.6	100.3	100.1	109.9	101.8	104.2	104.8
1894....	105.8	102.8	98.3	98.2	98.9	99.9	101.7	101.6	98.6	103.3
1895....	97.4	100.5	98.6	99.1	99.6	99.7	97.0	99.2	98.4	101.7
1896....	88.6	92.7	99.1	99.5	99.8	99.9	92.7	97.9	97.1	99.6
1897....	87.8	91.5	100.3	100.2	100.9	100.0	93.1	99.0	94.0	94.6
1898....	95.4	95.9	101.7	102.0	102.1	99.8	95.1	97.5	96.8	91.1
1899....	99.5	99.7	103.7	103.9	103.2	99.6	97.7	102.4	101.8	90.5
1900....	95.2	110.0	106.5	106.4	103.7	99.7	101.4	103.9	100.8	91.1
1901....	96.8	113.9	110.7	111.0	106.1	99.4	103.2	103.3	103.0	90.7
1902....	104.4	116.8	118.6	118.5	116.0	99.4	111.5	107.3	113.2	89.6
1903....	100.8	118.1	113.1	112.9	108.8	100.2	110.8	109.4	118.5	89.3

Year.	Corn meal.	Eggs.	Fish. fresh.	Fish, salt.	Flour wheat	Lard.	Milk, fresh.	Mo- lasses.	Mutton and lamb.	Pork, fresh.
1890....	100.0	100.6	99.3	100.7	109.7	98.2	100.5	104.7	100.7	97.0
1891....	109.7	106.9	99.6	101.7	112.5	99.8	100.5	101.7	100.6	98.7
1892....	105.2	106.8	100.1	102.2	105.1	103.6	100.6	101.2	101.0	100.5
1893....	103.1	108.1	100.1	103.4	96.1	117.9	100.4	100.6	99.9	107.0
1894....	102.2	96.3	100.4	101.5	88.7	106.9	100.2	100.3	97.8	101.8
1895....	100.8	99.3	99.8	98.9	89.0	100.1	100.0	99.0	98.7	99.7
1896....	95.0	92.8	100.2	97.5	92.7	92.5	99.9	98.7	98.7	97.4
1897....	93.7	91.4	99.8	95.2	104.3	89.8	99.7	97.7	99.6	97.6
1898....	95.0	96.2	100.5	98.8	107.4	93.9	99.4	97.9	100.4	98.6
1899....	95.1	101.1	100.2	100.2	94.6	97.1	98.9	98.2	102.6	101.7
1900....	97.4	99.9	100.4	99.1	94.3	104.4	99.9	102.2	105.6	107.7
1901....	107.1	105.7	101.4	100.9	94.4	118.1	101.1	101.3	109.0	117.9
1902....	118.8	119.1	105.0	102.8	94.9	134.3	103.3	102.1	114.7	128.3
1903....	120.7	125.3	107.3	108.4	101.2	126.7	105.8	103.8	112.6	127.0

Year.	Pork, salt bacon.	Pork, salt, dry or pick- eled.	Pork, salt ham.	Pota- toes, Irish.	Prunes	Rice.	Sugar.	Tea.	Veal.	Vin- egar.
1890....	95.8	95.3	98.7	109.3	116.8	101.3	118.6	100.0	98.8	102.9
1891....	96.6	98.9	99.3	116.6	116.5	102.5	102.7	100.4	99.6	105.5
1892....	99.1	100.5	101.9	95.7	113.5	101.3	96.2	100.2	100.0	102.7
1893....	109.0	108.7	109.3	112.3	115.6	98.4	101.5	100.1	100.0	99.5
1894....	103.6	103.4	101.9	102.6	100.9	99.0	93.8	98.7	98.7	99.8
1895....	99.4	99.2	98.8	91.8	94.2	98.8	91.8	98.5	98.5	98.9
1896....	96.7	95.5	97.6	77.0	86.8	96.7	96.6	98.8	99.5	97.2
1897....	97.4	97.3	98.2	93.0	84.3	97.9	95.7	98.5	99.9	97.4
1898....	100.2	99.1	95.1	105.4	86.3	101.7	101.3	100.7	101.2	97.9
1899....	102.9	101.8	99.2	96.1	85.1	102.4	101.7	104.4	103.7	98.3
1900....	109.7	107.7	105.3	93.5	83.0	102.4	104.9	105.5	104.9	98.5
1901....	121.0	117.5	110.2	116.8	82.6	103.5	103.0	106.7	108.8	98.9
1902....	135.6	132.5	119.4	117.0	83.4	103.5	96.0	107.2	115.2	99.5
1903....	139.8	129.0	121.3	114.8	80.2	103.9	96.1	106.0	114.9	99.1

The following table shows the relative prices of food, considered as a whole, for each year. The prices are "weighted" according to the importance of each article in family consumption, the degree of importance having been determined by a special inquiry covering over 2,500 families. In the computation of a "simple average" for all food the same importance is given to each article, flour, for example, being given the same weight as cheese. To overcome the unfairness of such an average, the exact quantity of each commodity of food used was ascertained and each commodity was then given its proper importance as an article of consumption. The result is the "weighted" average given. It should be stated in this connection, however, that the weighted average as shown does not differ materially from the simple average. The last line of the table shows the per cent of increase or decrease (indicated by + or -) in 1903 as compared with each of the preceding years.

*Relative retail prices of all food each year from 1890 to 1903 and per cent of increase or decrease in 1900 as compared with previous years.*

[Average 1890-1899-100.0.]

Year.	Relative prices of all foods.	Per cent of increase (+) or decrease ( ) in 1903 as compared with years specified.
1890.....	102.4	+ 7.7
1891.....	103.8	+ 6.3
1892.....	101.9	+ 8.2
1893.....	104.4	+ 5.7
1894.....	99.7	+10.6
1895.....	97.8	+12.8
1896.....	95.5	+15.5
1897.....	96.3	+14.5
1898.....	98.7	+11.8
1899.....	100.1	+10.9
1900.....	101.1	+ 9.1
1901.....	105.2	+ 4.8
1902.....	110.9	
1903.....	110.3	- .5

The method of using both the relative figures and the percentages has already been explained. The important facts disclosed in this table are that food was lower in 1903 than in 1902, and that food was only 15.5 per cent higher in 1903 than in 1896—the year of lowest prices. The changes in the cost of living, as shown by the Bulletin of the Bureau of Labor, relate to food alone, representing 42.54 per cent of all family expenditures in the 2,567 families furnishing information. With respect to the remaining expenditures of the average family the Bulletin states as follows:

Of the remaining articles, constituting 57.46 per cent of the family expenditure, certain ones are, from their nature, affected only indirectly and in very slight degree by any rise or fall in prices. Such are payments on account of principal and interest of mortgage, taxes, property and life insurance, labor and other organization fees, religion, charity, books and newspapers, amuse-



ments and vacations, intoxicating liquors, and sickness and death. These together constituted 14.51 per cent of the family expenditure in 1901 of the 2,567 families investigated. Miscellaneous purposes, not reported, for which, from their very character, no prices are obtainable, made up 5.87 per cent, and rent, for which also no prices for the several years are available, made up 12.95 per cent.

The remaining classes of family expenditure, 24.13 per cent of all, consist of clothing 14.04 per cent, fuel and lighting 5.25 per cent, furniture and utensils 3.42 per cent, and tobacco 1.42 per cent. For these no retail prices covering a series of years are available, but it is probable that the advance of the retail prices was considerably less than the advance in wholesale prices, as the advance in the wholesale prices of 25 articles of food in 1903, as compared with 1896, was 27.9 per cent, while the advance in the retail prices of 25 similar articles or groups of articles, as shown by the results of this investigation, was but 15.3 per cent. An examination of the relative wholesale prices of these classes of articles in Bulletin No. 51, giving them their proper weight according to family consumption, leads to the conclusion that the retail prices of these articles as a whole in 1903 could have been but little, if at all, above the level indicated by food.

*If all classes of family expenditures as above be taken into consideration, it is apparently a safe and conservative conclusion, therefore, that the increase in the cost of living, as a whole, in 1903, when compared with the year of lowest prices, was less than 15.5 per cent, the figure given above as the increase in the cost of food as shown by this investigation.* It is shown on the succeeding pages that the increase in wages in 1903 over the year of lowest wages, as shown by the same bulletin of the Bureau of Labor, was greater than the increase in cost of living, being 18.8 per cent.

A comparison of the table showing prices with that on page 204 entitled "Per cent of increase or decrease in the average wages per hour in 13 leading occupations in 1903 compared with each preceding year discloses the following interesting facts:

Bricklayers' wages advanced 26.1 per cent from 1896 to 1903; carpenters' wages, 31.2 per cent; hod carriers' wages, 22.6 per cent; iron molders' wages, 21.1 per cent; laborers' wages, 18.4 per cent; stone masons' wages, 26.5 per cent; painters' wages, 25.8 per cent; plumbers' wages, 24.7 per cent; stone cutters' wages, 17.7 per cent, etc.—while during the same period the retail prices of fresh beef roasts increased 14.1 per cent; beef steaks, 13.5 per cent; salt beef, 9 per cent; bread, 0.03 per cent; butter, 19.5 per cent; cheese, 11.7 per cent; fresh fish, 7.1 per cent; salt fish, 11.2 per cent; wheat flour 9.2 per cent; fresh milk, 5.9 per cent; molasses, 5.2 per cent; mutton and lamb, 14.1 per cent; rice, 7.4 per cent; tea, 7.3 per cent; veal, 15.5 per cent; and coffee has decreased 10.3 per cent and sugar 0.5 per cent. All food of ordinary consumption has increased an average of 15.5 per cent. Pork products, which are included in this general average, advanced from 24.3 to 44.6 per cent, owing to the high price of hogs, the wholesale price of which advanced 75.22 per cent from 1896 to 1903, as is shown in the chapter on the exchange value of farm products beginning page 216.

By measuring the purchasing power of a day's wages of these various articles of food in 1896 and in 1903 a very interesting result is obtained.

In the case of a *bricklayer* it shows that for a day's wages in 1903, as compared with a day's wages in 1896, he could buy 10.4 per cent more beef roasts or stews; 11.1 per cent more beef steak; 15.6 per cent more salt beef; 25.7 per cent more wheat bread; 5.5 per cent more butter; 12.8 per cent more cheese; 40.6 per cent more coffee; 17.7 per cent more fresh fish; 13.4 per cent more salt fish; 15.5 per cent more wheat flour; 19.1 per cent more fresh milk; 19.9 per cent more molasses; 10.5 per cent more lamb and mutton; 17.3 per cent more rice; 26.7 per cent more sugar; 17.5 per cent more tea; 9.1 per cent more veal, and 8.9 per cent more of the 30 food commodities taken collectively.

A *carpenter* could buy for a day's wages in 1903, as compared with 1896, 14.9 per cent more beef roasts or stews; 15.6 per cent more beef steak; 20.3 per cent more salt beef; 30.7 per cent more wheat bread; 9.7 per cent more butter; 17.3 per cent more

cheese; 46.2 per cent more coffee; 22.4 per cent more fresh fish; 17.9 per cent more salt fish; 20.1 per cent more wheat flour; 23.8 per cent more fresh milk; 24.6 per cent more molasses; 14.9 per cent more lamb and mutton; 22.0 per cent more rice; 31.8 per cent more sugar; 22.3 per cent more tea; 13.5 per cent more veal, and 13.3 per cent more of the 30 food commodities taken collectively.

A *day laborer* could buy for a day's wages in 1903, as compared with 1896, 3.7 per cent more beef roasts or stews; 4.3 per cent more beef steak; 8.5 per cent more salt beef; 18.0 per cent more wheat bread; 5.9 per cent more cheese; 32.4 per cent more coffee; 10.5 per cent more fresh fish; 6.4 per cent more salt fish; 8.3 per cent more wheat flour; 11.7 per cent more fresh milk; 12.6 per cent more molasses; 3.8 per cent more lamb and mutton; 10.1 per cent more rice; 19.0 per cent more sugar; 10.3 per cent more tea; 2.5 per cent more veal, and 2.2 per cent more of all the 30 articles of food taken collectively.

A *painter* could buy for a day's wages in 1903, as compared with 1896, 10.3 per cent more beef roasts or stews; 11.0 per cent more beef steak; 15.4 per cent more salt beef; 25.5 per cent more wheat bread; 5.3 per cent more butter; 12.7 per cent more cheese; 40.3 per cent more coffee; 17.6 per cent more fresh fish; 13.2 per cent more salt fish; 15.3 per cent more wheat flour; 18.9 per cent more fresh milk; 19.7 per cent more molasses; 10.4 per cent more lamb and mutton; 17.2 per cent more rice; 26.6 per cent more sugar; 17.3 per cent more tea; 9.0 per cent more veal, and 8.7 per cent more of all the 30 articles of food taken as a whole.

An *iron molder* could buy for a day's wages in 1903, as compared with 1896, 6.2 per cent more beef roasts or stews; 6.8 per cent more beef steak; 11.1 per cent more salt beef; 20.8 per cent more wheat bread; 1.4 per cent more butter; 8.4 per cent more cheese; 35.1 per cent more coffee; 13.1 per cent more fresh fish; 9.0 per cent more salt fish; 11.0 per cent more wheat flour; 14.4 per cent more fresh milk; 15.2 per cent more molasses; 6.2 per cent more lamb and mutton; 12.8 per cent more rice; 21.8 per cent more sugar; 12.9 per cent more tea; 4.9 per cent more veal, and 4.7 per cent more of all the 30 articles of food taken as a whole.

A *plumber* could buy for a day's wages in 1903, as compared with 1896, 9.3 per cent more beef roasts and stews; 9.9 per cent more beef steaks; 14.4 per cent more salt beef; 24.2 per cent more wheat bread; 4.4 per cent more butter; 11.6 per cent more cheese; 39.1 per cent more coffee; 16.5 per cent more fresh fish; 12.2 per cent more salt fish; 14.6 per cent more wheat flour; 17.6 per cent more fresh milk; 18.6 per cent more molasses; 9.3 per cent more lamb and mutton; 16.1 per cent more rice; 25.4 per cent more sugar; 16.2 per cent more tea; 8.0 per cent more veal; 7.6 per cent more of all the 30 articles of food taken collectively.

A *stone cutter* could buy for a day's wages in 1903, as compared with 1896, 3.1 per cent more beef roasts and stews; 3.7 per cent more beef steaks; 7.9 per cent more salt beef; 17.3 per cent more wheat bread; 5.3 per cent more cheese; 31.2 per cent more coffee; 9.9 per cent more fresh fish; 5.8 per cent more salt fish; 7.8 per cent more wheat flour; 11.1 per cent more fresh milk; 11.9 per cent more molasses; 3.2 per cent more lamb and mutton; 9.5 per cent more rice; 18.3 per cent more sugar; 9.7 per cent more tea; 1.9 per cent more veal; 1.7 per cent more of all the 30 articles of food taken collectively.

A *stone mason* could buy for a day's wages in 1903, as compared with 1896, 10.7 per cent more beef roasts and stews; 11.4 per cent more beef steaks; 15.9 per cent more salt beef; 26 per cent more wheat bread; 5.8 per cent more butter; 13.1 per cent more cheese; 40.9 per cent more coffee; 18.0 per cent more fresh fish; 13.6 per cent more salt fish; 15.5 per cent more wheat flour; 19.3 per cent more fresh milk; 20.2 per cent more molasses; 10.8 per cent more lamb and mutton; 17.6 per cent more rice; 27.1 per cent more sugar; 17.8 per cent more tea; 9.5 per cent more veal, and 9.2 per cent more of all the 30 articles of food taken collectively.

Similar comparisons could be made with many more occupations, but it is believed that the above, which all relate to leading



and well defined occupations, are sufficient to prove the fallacy of the assertion that wages have not kept up with prices since the great industrial depression during the last Democratic administration.

### SUMMARY OF CONCLUSIONS.

As a summary of the results of the investigations relative to wages and cost of living the two following tables are given in the Bulletin of the Bureau of Labor. The first shows relative figures while the second shows the increase or decrease in the year 1903 as compared with each preceding year of the period considered:

*Relative employees, hours per week, wages per hour, weekly earnings per employee and for all employees, retail prices of food, and purchasing power of hourly wages and of weekly earnings per employee measured by retail prices of food, 1890-1903.*

[Average for 1890-1899--100.]

Year.	Em- ployees.	Hours per week.	Wages per hour.	Weekly earnings per em- ployee.	Weekly earnings of all em- ployees.	Retail prices of food.	Purchasing power measured by retail prices of food, of—	
							Hourly wages.	Weekly earnings per em- ployee.
1890...	94.9	100.7	100.3	101.0	95.8	102.4	97.9	98.0
1891...	97.4	100.5	100.2	100.7	98.1	103.8	96.5	97.0
1892...	99.1	100.5	100.8	101.3	100.4	101.9	98.9	99.4
1893...	99.2	100.3	100.9	101.2	100.4	104.4	96.6	96.0
1894...	94.1	99.8	97.9	97.7	91.9	99.7	98.2	98.6
1895...	96.3	100.1	98.3	98.4	94.8	97.8	100.5	100.2
1896...	98.3	99.8	99.7	99.5	97.8	95.5	104.4	104.9
1897...	100.9	99.6	99.6	99.2	100.1	96.3	103.4	103.6
1898...	106.3	99.7	100.3	100.0	106.3	98.7	101.6	101.3
1899...	110.8	99.2	102.0	101.2	112.1	99.5	102.5	101.7
1900...	115.5	98.7	105.5	104.1	120.2	101.1	104.4	103.0
1901...	119.1	98.1	108.0	105.9	126.1	105.2	102.7	100.7
1902...	123.6	97.3	112.3	109.3	135.1	110.9	101.3	98.6
1903...	126.4	96.6	116.3	112.3	141.9	110.3	105.4	101.8

Note.—In explanation of relative figures it should be stated that each figure in the above table represents the per cent which the actual figures were of the average figures for the ten-year period from 1890 to 1899, the latter being presumed to represent normal conditions more accurately than the figures for any one year. In the first column, for example, the number of employees in 1890 is shown to have been 94.9 per cent of the average number for the ten-year period; the number in 1894 was 94.1 per cent of the average for the ten-year period; the number in 1903 was 126.4 per cent of the average, or 26.4 per cent. greater than the average for the ten-year period, etc., etc.

The following table, which presents the facts in the convenient form of percentages, discloses most important information with reference to conditions in 1903 as compared with the period of industrial depression which reached its lowest depths during the years 1894, 1895, and 1896.

First. *Employment afforded.*—As regards the number of employees engaged in the 519 occupations, covering 67 important industries and 3,429 establishments engaged in the manufacturing and mechanical industries, *it is seen that over one-third more workmen (34.3 per cent) were employed in 1903 than in 1894, and that during the administrations of President McKinley and President Roosevelt the number given employment has steadily and rapidly increased even up to and including the last year of the period, 1903.* And even the wonderful increase in 1903 over 1894 as shown above does not mark the extreme limit of the betterment of industrial conditions as regards employment afforded; for it must be remembered that the 3,429 establishments covered in the investigation of the Bureau of Labor were practically all in operation each year during the entire period and the figures secured therefrom do not reflect conditions in hundreds of important establishments which were closed entirely during the period of depression nor in still other hundreds of new establishments which went into operation after the depression had been relieved and confidence reestablished. *Were figures*



*Per cent of increase (+) or decrease (—) in 1903, as compared with previous years, in employees, hours per week, wages per hour, weekly earnings per employee and of all employees, retail prices of food, and purchasing power of hourly wages and of weekly earnings per employee measured by retail prices of food, 1890 to 1903.*

Year.	Per cent of increase (+) or decrease (—) in 1903 as compared with previous years.							
	Em- ployees.	Hours per week.	Wages per hour.	Weekly earn- ings per em- ployee.	Weekly earn- ings of all em- ployees.	Retail prices of food.	Purchasing power measured by retail prices of food, of—	
							Hourly Wages.	Weekly earn- ings per em- ployee.
Av. 1890-99..	+26.4	—3.4	+16.3	+12.3	+41.9	+10.3	+5.4	+1.8
1890..	+33.2	—4.1	+16.0	+11.2	+48.1	+7.7	+7.7	+3.2
1891..	+29.8	—3.9	+16.1	+11.5	+44.6	+6.3	+9.2	+4.9
1892..	+27.5	—3.9	+15.4	+10.9	+41.3	+8.2	+6.6	+2.4
1893..	+27.4	—3.7	+15.3	+11.0	+41.3	+5.7	+9.1	+5.1
1894..	+34.3	—3.2	+18.8	+14.9	+54.4	+10.6	+7.3	+3.9
1895..	+31.3	—3.5	+18.3	+14.1	+49.7	+12.8	+4.9	+1.2
1896..	+28.6	—3.2	+16.6	+12.9	+45.1	+15.5	+1.0	—2.3
1897..	+25.3	—3.0	+16.8	+13.2	+41.8	+14.5	+1.9	—1.2
1898..	+18.9	—3.1	+16.0	+12.3	+33.5	+11.8	+3.7	+5
1899..	+14.1	—2.6	+14.0	+11.0	+26.6	+10.9	+2.8	+1
1900..	+9.4	—2.1	+10.2	+7.9	+18.1	+9.1	+1.0	—1.2
1901..	+6.1	—1.5	+7.7	+6.0	+12.5	+4.8	+2.6	+1.1
1902..	+2.3	—7	+3.6	+2.7	+5.0	—5	+4.0	+3.2

Note.—The figures in this table give for each year, and for the average of the ten-year period from 1890 to 1899, the per cent of increase or decrease (indicated by + and —) which the figures for 1903 show as compared with the year specified. For example, the first column shows that the number of employees in 1903 was 26.4 per cent greater than the average number in the ten-year period, 34.3 per cent greater than the number in 1894, 2.3 per cent greater than the number in 1902, etc., etc.

available showing the thousands of workmen thrown into absolute idleness by the closing down of factories and mills during Democratic rule and the thousands given employment during Republican rule, the per cent of increase in employees at work in 1903 over the number shown for 1894 would doubtless be double that given by the Bureau of Labor for the 3,429 establishments in continuous operation.

Second. *Working Hours.*—As regards hours of work in the establishments covered, it is seen that almost without a halt the workday has gradually been shortened during the period. The average hours worked per week in 1903 were 4.1 per cent less than in 1890, 3.5 per cent less than in 1895, 2.1 per cent less than in 1900, and .7 per cent less than in 1902. The general betterment of industrial conditions is nowhere better shown than in the figures which indicate that slowly but surely the hours of labor are decreasing and a consequently longer time is afforded the workman for rest, recreation, and improvement.

Third. *Hourly Wages.*—The table shows quite conclusively the reduction in wages during the years of depression and the gradual and rapid increase year by year since 1896. It is seen that the hourly wages in 1903 were 16.0 per cent higher than in 1890; they were in 1903 18.8 per cent higher than in 1894, the year of lowest wages; they were 18.3 per cent higher than in 1895, and 16.6 per cent higher than in 1896, etc. It is most interesting to note the steady and strong tendency toward higher wages during the last eight years, nor should the fact be overlooked that the wages of 1903, the last year covered, were higher than in any previous year, being 3.6 per cent higher than the year 1902. The figures do not in any way indicate that a retrograde movement has begun.

Fourth. *Weekly earnings per employee.*—It has been stated that while hourly wages have increased greatly the daily hours of work have gradually decreased. While the decrease in hours has doubtless been due to the movement of workmen themselves for a

shorter workday, it should be noted also that when the decrease in hours per week is taken in connection with the increase in wages the resulting weekly earnings still show a marked increase in 1903 over preceding years. For example, the weekly earnings in 1903 were 14.9 per cent greater than in 1894, 14.1 per cent greater than in 1895, etc., etc. While the increase as shown above is quite considerable, it should be remembered that it does not by any means indicate the conditions as to weekly, monthly, or annual earnings in 1903 as compared with the years of depression, inasmuch as the figures given are based on the presumption that each employee worked full time. While figures are not available showing the extent to which establishments worked "half time" or "three-quarter time" during the years of depression, or closed down entirely, it is safe to say that were it possible to compare average weekly, monthly, or yearly earnings in 1903 with those for 1894, 1895, and 1896 the per cent of increase in 1903 over the latter years would be much greater than that shown in the Bulletin of the Bureau of Labor, and would reach probably between 25 and 30 per cent.

Fifth. *Weekly earnings of all employees.*—Some impression as to the influence of conditions of employment on the earnings of wage-workers may be gained by reference to the column of the table containing the percentages which show the increase (in 1903 over each preceding year of the period) in the weekly earnings of the employees covered by the report. It will be remembered that the report covers 67 industries and that these industries are represented by a total of 519 distinctive occupations in 3,429 establishments—all of which were in operation during each year of the entire period. If the number of workmen employed each year in the 519 occupations is considered in connection with their weekly earnings, the amount of the weekly pay roll of these workmen for each year of the period is readily obtained. While for reasons before stated the figures given do not mark the extreme decline and advance in the amount paid out in wages, they are extremely suggestive. It is seen that the per cent of the increase in 1903 over 1894 of the weekly earnings of the workmen employed in the two years mentioned reached as much as 54.4 per cent; the increase in 1903 over 1895 reached 49.7 per cent; the increase in 1903 over 1896 reached 45.1 per cent, etc., etc. The figures for the last eight years of the period again show the increasing and almost marvelous betterment of conditions during these years and their uninterrupted continuance to the last year of the period.

Sixth. *Retail prices of food.*—As previously indicated, the figures given in this column are stated by the Bureau of Labor to fairly represent not only the trend of cost of living so far as food is concerned, but also to mark the possible limits of advance and decline in the cost of all articles of family consumption. The results are especially important, as they are derived from the first comprehensive investigation into retail prices covering a long series of years. Heretofore wholesale prices have been used to indicate the trend of cost of living, although it was recognized that they were more sensitive to conditions than retail prices, that their fluctuations were considerably greater, and that they could not be used to indicate even approximately the extent of increase or decrease from year to year in cost of living. The collection of retail prices which forms the basis of the figures in the table is, therefore, of great value as indicating with great exactness the cost of living based on prices actually paid by the small consumer. It is seen that cost of living increased in 1903 over the year of lowest prices, 1896, not more than 15.5 per cent; over 1897, 14.5 per cent; over 1898, 11.8 per cent., etc., etc. It is interesting to note in this connection that the cost of living in 1903 was .5 per cent less than in 1902 and that the decline in 1903 is the first since 1896. It is also important to note that while cost of living declined in 1903, the number of workmen employed, the wages per hour, and the earnings per week continued their steady advance.

Seventh. *Purchasing power of wages.*—The last two columns of the table show the percentages representing the purchasing power of wages. The first of the two columns shows the facts for hourly wages, while the second shows those for weekly earnings.



Considering the retail prices of food or cost of living in connection with hourly wages, it is shown that *the purchasing power of hourly wages in 1903 was 9.1 per cent greater than in 1893, 7.3 per cent greater than in 1894, 4.9 per cent greater than in 1895, 4.0 per cent greater than in 1902, etc., etc.* In other words, *an hour's wages in 1903 would purchase 9.1 per cent more of the commodities and articles entering into the cost of living of the workingman's family than would an hour's wages in 1893, etc., etc.* The last column, which does not present so accurate a figure for reasons stated previously in connection with weekly earnings, confirms the conclusion justified by the preceding column that, *considering both wages and cost of living the workingman has benefited to a measurable degree from the increase in wages despite the increase in cost of living and shortening of working hours.*

When it is remembered also that the betterment of industrial conditions has been greater than the figures indicate in some cases as previously explained, that it has extended in many directions not covered by the figures and not even susceptible of demonstration by the statistical method, and that the savings of the workman during a period of high wages, although accompanied by high prices, is considerably greater than during a period of depression, it seems a safe and conservative conclusion that at no time in the history of this or any other country has there been an era of prosperity so productive of material benefit to both the workingman and the employer as the last eight years of Republican rule.

#### EXCHANGE VALUE OF FARM PRODUCTS.

##### Prices of Raw Materials Compared with Prices of Manufactured Articles, 1896 and 1903.

During the last few years, when prices in general have advanced, it is interesting to determine in what degree the producer of the farm products has been benefited by the rise.

The table which follows has been prepared from official figures published in Bulletin No. 51 of the United States Bureau of Labor and shows the per cent of advance in 1903 as compared with 1896 the commodities being grouped as in the original source. The comparisons are between wholesale prices, as in the language of the original report "They are more sensitive than retail prices and more quickly reflect changes in conditions."

Comparing 1903 with 1896, farm products show an advance of 51.72 per cent, that is for every \$100 received from the sale of farm products in 1896 the farmer received in 1903 \$151.72 for the same quantity.

Food, etc., advanced 27.80 per cent.; cloths and clothing, 16.76 per cent; fuel and lighting, 43.4 per cent, etc. It is seen that the advance in farm products has been from two to four times as great as the advance in any of the other groups, except fuel and light, and even there the advance has not been nearly as great as in farm products. It will likewise be observed that the wholesale prices of food have increased much more than the retail prices, which are considered on pages —.

The purchasing power of farm products in 1903 increased materially over 1896. The same quantity of farm products would purchase in 1903 18.17 per cent more food than in 1896. It would purchase 29.94 per cent more cloths and clothing; 5.99 per cent more of the articles included in the group fuel and lighting; 20.90 per cent more metals and implements; 16.74 per cent more lumber and building materials; 24.78 per cent more drugs and chemicals; 26.21 per cent more house furnishing goods; and 22.07 per cent more of the articles included in the miscellaneous group.

*This shows that no one has been benefited by the advance in prices as much as has the farmer; that in 1903 the price of farm products was 51.72 per cent, or more than one-half greater than in 1896; that even when the advance in price of other articles is considered, the purchasing power of farm products in 1903 was, when compared with other groups of articles, from 5.99 per cent to 29.94 per cent greater than in 1896.*



The following table shows the comparisons:

*Comparative advance in the price of farm products and other groups of commodities, 1903 compared with 1896.*

[Compiled from Bulletin No. 51, United States Bureau of Labor.]

Group.	Advance.	Purchasing power.
	Per cent.	Per cent.
Farm product.....	51.72	.....
Food, etc.....	27.80	18.71
Cloths and clothing.....	16.76	29.94
Fuel and lighting.....	43.14	5.99
Metals and implements.....	25.51	20.90
Lumber and building materials.....	29.98	16.74
Drugs and chemicals.....	21.60	24.78
House furnishing goods.....	20.21	26.21
Miscellaneous articles.....	24.29	22.07
All commodities.....	25.66	20.73

It is interesting to notice in the tables which follow the comparative advance in the price of certain related commodities. The average price in 1903 has been compared with the average price in 1896. In practically every case the raw material advanced more than the finished products.

The first table shows that live cattle advanced 19.82 per cent, while fresh beef advanced but 12.38 per cent. *With the same weight of live cattle 6.62 per cent more fresh beef could be purchased in 1903 than in 1896.*

Hogs advanced 75.22 per cent and smoked hams 34.86 per cent. *With the same weight of live hogs 29.94 per cent more ham could be bought in 1903 than in 1896.*

Sheep which the farmer sells advanced 25.03 per cent, mutton which the workingman buys advanced 19.06 per cent. *With the same weight of sheep 5.2 per cent more mutton could be purchased in 1903 than in 1896.*

Corn advanced 78.61 per cent, while corn meal advanced but 61.11 per cent. *With the same quantity of corn 10.86 per cent more corn meal could be purchased in 1903 than in 1896.*

Wheat, which the farmer raises, advanced 23.07 per cent, while wheat flour for everybody's use advanced 6.47 per cent. *That is, with the same quantity of wheat 15.59 per cent more flour could be purchased in 1903 than in 1896.*

Raw cotton advanced 41.86 per cent, cotton bags 13.76 per cent, calico declined 4.00 per cent, cotton flannels advanced 13.74 per cent, cotton thread 20.58 per cent, cotton yarns 20.32 per cent, denims 14.16 per cent, drillings 9.68 per cent, gingham 15.68 per cent, cotton hosiery declined 0.44 per cent, print cloths advanced 24.64 per cent, sheetings 13.55 per cent, shirtings 5.41 per cent, and tickings 8.44 per cent. The average advance for cotton goods being but 12.08 per cent against 41.86 per cent for the raw cotton. *With the same quantity of raw cotton 26.59 per cent more manufactured cotton goods could be purchased in 1903 than in 1896.*

Wool shows an advance of 56.23 per cent, blankets (all wool) 23.39 per cent, broadcloths 38.39 per cent, carpets 20.40 per cent, flannels 33.84 per cent, horse blankets (all wool) 29.74 per cent, overcoatings (all wool) 27.69 per cent, shawls 20.09 per cent, suitings 24.15 per cent, underwear (all wool) 8.31 per cent, women's dress goods (all wool) 54.39 per cent, and worsted yarns 61.87 per cent. An average advance for woollen goods of 30.01 per cent, while the raw material—wool—advanced 56.23 per cent. *Or with the same quantity of wool 20.14 per cent more manufactured woollen goods could be bought in 1901 than in 1896.* The following table shows this information in tabular form:

*Comparative advance in price of certain related commodities,  
1903 compared with 1896.*

[Compiled from Bulletin No. 51, United States Bureau of Labor.]

Cattle . . . . .	19.82
Fresh beef . . . . .	12.38
Hogs . . . . .	75.22
Hams . . . . .	34.86
Sheep . . . . .	25.03
Mutton . . . . .	19.06
Corn . . . . .	78.61
Corn meal . . . . .	61.11
Wheat . . . . .	23.07
Wheat flour . . . . .	6.47
Cotton—Upland Middling . . . . .	41.86
Cotton bags . . . . .	13.76
Calico . . . . .	a 4.00
Cotton flannels . . . . .	13.74
Cotton thread . . . . .	20.58
Cotton yarns . . . . .	20.32
Denims . . . . .	14.16
Drillings . . . . .	9.68
Ginghams . . . . .	15.68
Hosiery (cotton) . . . . .	a 0.44
Print cloths . . . . .	24.64
Sheetings . . . . .	13.55
Shirtings . . . . .	5.41
Tickings . . . . .	8.44
Average for cotton goods . . . . .	12.08
Wool . . . . .	56.23
Blankets (all wool) . . . . .	23.29
Broadcloths . . . . .	38.39
Carpets . . . . .	20.40
Flannels . . . . .	33.84
Horse blankets (all wool) . . . . .	29.74
Overcoatings (all wool) . . . . .	27.69
Shawls . . . . .	20.09
Suitings . . . . .	24.15
Underwear (all wool) . . . . .	8.31
Women's dress goods (all wool) . . . . .	54.39
Worsted yarns . . . . .	61.87
Average for woolen goods . . . . .	30.01

a Decline.

**Market Value of Farm Products in 1896 and 1903 When Measured  
by the Wholesale Prices of Staple Articles.**

The farmer and stock raiser measures the value of his grain and stock not only by the amount of money he will receive per bushel or per pound, but also by the value of such articles as he must buy for use by his family or on the farm.

No official retail prices, other than for certain articles of food, have been published for recent years, but the United States Bureau of Labor in its bulletin for March, 1904, published wholesale prices of the staple articles in general use. From this publication the following tables have been prepared, showing the value of corn, wheat, oats, cattle, hogs, and dairy butter in 1896 and 1903 when measured by the value of other staple articles which the farmer must buy.

While these figures do not represent the actual purchasing power (as all the prices are wholesale), yet the figures shown for the two years, 1896 and 1903, are in practically the same proportion as retail prices would show.

Ten bushels of corn in 1896 was equal in value to 20.9 pounds of Rio coffee, while in 1903 it was equal to 82.4 pounds, or about four times as much. In 1896 10 bushels of corn was equal in value to 56.9 pounds of granulated sugar, in 1903 equal to 99.2 pounds; in 1896 equal to 49.1 yards of calico, in 1903 to 91.4 yards; in 1896 equal to 54.7 yards of gingham, in 1903 to 83.7 yards; in 1896 to 41.5 yards of Indian Head sheetings, in 1903 to 67.6 yards; in 1896 to 37.1 yards of Fruit of the Loom shirtings,

in 1903 to 60.1 yards; in 1896 to 19 bushels of stove coal (anthracite), in 1903 to 26.7 bushels; in 1896 to 24.8 gallons of refined petroleum, in 1903 to 33.8 gallons; in 1896 to 95 pounds of 8-penny cut nails, in 1903 to 210 pounds; in 1896 to 88 pounds of 8-penny wire nails, in 1903 to 222 pounds. It must be borne in mind that these values are based on the average yearly prices of these articles.

The comparative values of wheat, oats, cattle, hogs, and dairy butter presented in the tables which follow show wonderful increases and the exchange values of wheat, oats, corn, cattle, and hogs during the present year are much greater than during 1903.

The tables are as follows:

*Value of 10 bushels of corn in 1896 and 1903 when measured by the wholesale prices of the following staple articles.*

[Compiled from Bulletin No. 51, United States Bureau of Labor.]

Articles.	1896.	1903.
Coffee, Rio, No. 7.....pounds..	20.9	82.4
Sugar, granulated.....do....	56.9	99.2
Tea, Formosa, fine.....do....	10.0	20.1
Shoes, men's calf bal, Goodyear welt.....pairs..	(a)	(b)
Shoes, women's solid grain.....do....	(c)	(d)
Calico, Cocheco prints.....yards..	49.1	91.4
Denims, Amoskeag.....do....	26.1	40.9
Drillings, brown, Pepperell.....do....	45.0	74.4
Gingham's, Amoskeag.....do....	54.7	83.7
Hosiery, men's cotton half hose, 20 to 22 oz.....pairs..	37	71
Overcoats, chinchilla, cotton warp.....yards..	5.9	10.2
Sheetings, bleached, 10-4, Atlantic.....do....	15.2	21.7
Sheetings, brown, 4-4 Indian head.....do....	41.5	67.6
Shirtings, bleached, 4-4 Fruit of the Loom.....do....	37.1	60.1
Suitings, indigo blue, all wool, 14 oz., Middlesex.....do....	2.3	3.2
Tickings, Amoskeag, A. C. A.....do....	25.3	41.7
Women's dress goods, cashmere, cotton-warp, 22-inch, Hamilton, yards.....	36.3	62.2
Coal, anthracite, stove.....bushels..	19.0	26.7
Petroleum, refined, 150° test.....gallons..	24.8	33.8
Nails, cut, 8-penny, fence and common.....pounds..	95	210
Nails, wire, 8-penny, fence and common.....do....	88	222
Carbonate of lead, (white lead), American, in oil.....do....	49.9	74.9
Cement, Portland, American.....barrels..	1.3	2.3
Plate glass, area, 3 to 5 square feet.....square feet..	7.6	17.5
Glassware, tumblers, ½-pint, common.....	172	313

a 1 pair and 18 cents over.

b 1 pair and \$2.26 over.

c 3 pairs and 3 cents over.

d 5 pairs and 17 cents over.

*Value of 10 bushels of oats in 1896 and 1903 when measured by the wholesale prices of the following staple articles.*

[Compiled from Bulletin No. 51, United States Bureau of Labor.]

Articles.	1896.	1903.
Coffee, Rio, No. 7.....pounds..	14.6	63.3
Sugar, granulated.....do....	39.7	76.8
Tea, Formosa, fine.....do....	7.0	15.4
Shoes, men's calf bal, Goodyear welt.....pairs..	(a)	(b)
Shoes, women's solid grain.....do....	(c)	(d)
Calico, Cocheco prints.....yards..	34.3	70.3
Denims, Amoskeag.....do....	18.2	31.4
Drillings, brown, Pepperell.....do....	31.4	57.2
Ginghams, Amoskeag.....do....	38.2	64.4
Hosiery, men's cotton half hose, 20 to 22 ounce.....pairs..	26	54
Overcoatings, chinchilla, cotton warp.....yards..	4.1	7.8
Sheetings, bleached, 10-4, Atlantic.....do....	10.6	16.7
Sheetings, brown, 4-4, Indian head.....do....	29.0	52.0
Shirtings, bleached, 4-4, Fruit of the Loom.....do....	25.9	46.2
Suitings, indigo blue, all wool, 14-ounce, Middlesex.....do....	1.6	2.5
Tickings, Amoskeag, A. C. A.....do....	17.7	32.1
Women's dress goods, cashmere, cotton warp, 22-inch, Hamilton, yards.....	25.3	47.8
Coal, anthracite, stove.....bushels..	13.3	20.6
Petroleum, refined, 150° test.....gallons..	17.3	25.8
Nails, cut, 8-penny, fence and common.....pounds..	66	161
Nails, wire, 8-penny, fence and common.....do....	62	171
Carbonate of lead, (white lead) American, in oil.....do....	34.8	57.6
Cement, Portland, domestic.....barrels..	0.9	1.7
Plate glass, area, 3 to 5 square feet.....square feet..	5.3	13.5
Glassware, tumblers, ½ pint, common.....	120	241

a Lacks 60 cents of price of 1

b 1 pair and \$1.19 over.

pair.

c 2 pairs and 10 cents over.

d 3 pairs and 88 cents over.



*Value of 10 bushels of wheat in 1896 and 1903 when measured by the wholesale prices of the following staple articles.*

[Compiled from Bulletin No. 51, United States Bureau of Labor.]

Articles.	1896.	1903.
Coffee, Rio, No. 7.....pounds..	52.0	141.2
Sugar, granulated.....do....	141.5	170.1
Tea, Formosa, fine.....do....	24.8	34.4
Shoes, men's calf bal., Goodyear welt.....pairs..	(a)	(b)
Shoes, women's solid grain.....do....	(c)	(d)
Calico, Cocheco prints.....yards..	122.2	156.6
Denims, Amoskeag.....do....	64.9	70.1
Drillings, brown, Pepperell.....do....	111.9	127.5
Ginghams, Amoskeag.....do....	135.9	143.5
Hosiery, men's cotton half hose, 20 to 22 oz.....pairs..	92	121
Overcoatings, chinchilla, cotton-warp.....yards..	14.7	17.4
Sheetings, bleached, 10-4, Atlantic.....do....	37.7	37.2
Sheetings, brown, 4-4, Indian head.....do....	103.1	115.9
Shirtings, bleached, 4-4, Fruit of the Loom.....do....	92.1	102.9
Suitings, indigo blue, all wool, 14 oz, Middlesex.....do....	5.6	5.5
Tickings, Amoskeag, A. C. A.....do....		
Women's dress goods, cashmere, cotton-warp, 22-inch, Hamilton.....yards..	62.9	71.5
Coal, anthracite, stove.....bushels..	90.2	106.5
Petroleum, refined 150° test.....gallons..	47.3	45.8
Nails, cut, 8-penny, fence and common.....pounds..	61.7	57.9
Nails, wire, 8-penny, fence and common.....do....	236.1	359.6
Carbonate of lead (white lead), American, in oil.....do....	219.2	380.5
Cement, Portland, American.....barrels..	124.0	128.4
Plate glass, area, 3 to 5 square feet.....square feet..	3.2	3.9
Glassware, tumblers, ½-pint common.....do....	18.9	30.1
	427	537

a 2 pairs and \$1.61 over.

b 3 pairs and 85 cents over.

c 7 pairs and 56 cents over.

d 8 pairs and 80 cents over.

*Value of cattle (good to extra steers) per 100 pounds in 1896 and 1903 when measured by the wholesale prices of the following staple articles.*

[Compiled from Bulletin No. 51, United States Bureau of Labor.]

Articles.	1896.	1903.
Coffee, Rio, No. 7.....pounds..	36.0	95.1
Sugar, granulated.....do....	97.8	114.5
Tea, Formosa, fine.....do....	17.2	23.1
Shoes, men's calf bal., Goodyear welt.....pairs..	(a)	(b)
Shoes, women's solid grain.....do....	(c)	(d)
Calico, Cocheco prints.....yards..	84.4	105.4
Denims, Amoskeag.....do....	44.9	47.2
Drillings, brown, Pepperell.....do....	77.4	85.9
Ginghams, Amoskeag.....do....	93.9	96.6
Hosiery, men's cotton half hose, 20 to 22 oz.....pairs..	64	81
Overcoatings, chinchilla, cotton-warp.....yards..	10.2	11.7
Sheetings, bleached, 10-4, Atlantic.....do....	26.1	25.0
Sheetings, brown, 4-4 Indian head.....do....	71.3	78.0
Shirtings, bleached, 4-4 Fruit of the Loom.....do....	63.7	69.3
Suitings, indigo blue, all wool, 14 oz, Middlesex.....do....	3.9	3.7
Tickings, Amoskeag, A. C. A.....do....	43.5	48.1
Women's dress goods, cashmere, cotton-warp, 22-inch, Hamilton.....yards..	62.4	71.7
Coal, anthracite, stove.....bushels..	32.7	30.8
Petroleum, refined, 150° test.....gallons..	42.7	39.0
Nails, cut, 8-penny, fence and common.....pounds..	163	242
Nails, wire, 8-penny, fence and common.....do....	152	258
Carbonate of lead (white lead), American, in oil.....do....	85.8	86.4
Cement, Portland, American.....barrels..	2.2	2.6
Plate glass, area, 3 to 5 square feet.....square feet..	13.0	20.2
Glassware, tumblers, ½-pint, common.....do....	296	362

a 1 pair and \$2.03 over.

b 2 pairs and 61 cents over.

c 5 pairs and 18 cents over.

d 5 pairs and 88 cents over.

Above all things we should avoid the demagogue as a pestilence, and take counsel only of reason and right.—Hon. C. W. Fairbanks, at St. Paul, Minn., August 31, 1903.

For years the commerce of the world has demanded an isthmian canal, and recent events give us the assurance that this vast undertaking will be accomplished at an early day under the protection of the American flag.—Hon. C. W. Fairbanks, at St. Paul, Minn., August 31, 1903.

*Value of hogs (heavy) per 100 pounds in 1896 and 1903 when measured by the wholesale prices of the following staple articles.*

[Compiled from Bulletin No. 51, United States Bureau of Labor.]

Articles.	1896.	1903.
Coffee, Rio, No. 7.....pounds..	27.2	108.4
Sugar, granulated.....do.....	74.1	130.5
Tea, Formosa, fine.....do.....	13.0	26.4
Shoes, men's calf bal., Goodyear welt.....pairs..	(a)	(b)
Shoes, women's solid grain.....do.....	(c)	(d)
Calico, Cocheco prints.....yards..	64.0	120.2
Denims, Amoskeag.....do.....	34.0	53.7
Drillings, brown, Pepperell.....do.....	58.6	97.9
Ginghams, Amoskeag.....do.....	71.1	110.1
Hosiery, men's cotton half hose, 20 to 22 oz.....pairs..	48	93.0
Overcoatings, chinchilla, cotton-warp.....yards..	7.7	13.4
Sheetings, bleached, 10-4, Atlantic.....do.....	19.8	28.5
Sheetings, brown, 4-4, Indian head.....do.....	54.0	88.9
Shirtings, bleached, 4-4, Fruit of the Loom.....do.....	48.2	79.0
Suitings, indigo blue, all wool, 14 oz., Middlesex.....do.....	3.0	4.2
Tickings, Amoskeag, A. C. A.....do.....	33.0	54.9
Women's dress goods, cashmere, cotton-warp, 22-inch, Hamilton.....yards..	47.2	81.7
Coal, anthracite, stove.....bushels..	24.8	35.2
Petroleum, refined, 150° test.....gallons..	32.3	44.4
Nails, cut, 8-penny, fence and common.....pounds..	124	276
Nails, wire, 8-penny, fence and common.....do.....	115	292
Carbonate of lead (white lead), American, in oil.....do.....	64.9	98.5
Cement, Portland, American.....barrels..	1.7	3.0
Plate glass, area, 3 to 5 square feet.....square feet..	9.9	23.1
Glassware, tumblers, ½-pint, common.....do.....	224	412

1 pair and 96 cents over.  
3 pairs and 81 cents over.

b 2 pairs and \$1.36 over.  
d 6 pairs and 73 cents over.

*Value of 20 pounds of butter (New York State dairy) in 1896 and 1903 when measured by the wholesale prices of the following staple articles.*

[Compiled from Bulletin No. 51, United States Bureau of Labor.]

Articles.	1896.	1903.
Coffee, Rio No. 7.....pounds..	27.0	76.9
Sugar, granulated.....do.....	73.5	92.7
Tea, Formosa, fine.....do.....	12.9	18.7
Shoes, men's calf bal., Goodyear welt.....pairs..	(a)	(b)
Shoes, women's solid grain.....do.....	(c)	(d)
Calico, Cocheco prints.....yards..	63.4	85.3
Denims, Amoskeag.....do.....	33.7	38.1
Drillings, brown, Pepperell.....do.....	58.1	69.5
Ginghams, Amoskeag.....do.....	70.6	78.2
Hosiery, men's cotton half hose, 20 to 22 oz.....pairs..	48	66
Overcoatings, chinchilla, cotton-warp, C. C. grade.....yards..	7.6	9.5
Sheetings, bleached, 10-4, Atlantic.....do.....	19.6	20.2
Sheetings, brown, 4-4, Indian head.....do.....	53.5	63.1
Shirtings, bleached, 4-4, Fruit of the Loom.....do.....	47.8	56.1
Suitings, indigo blue, all wool, 14 oz., Middlesex.....do.....	2.9	2.9
Tickings, Amoskeag, A. C. A.....do.....	32.7	38.9
Women's dress goods, cashmere, cotton-warp, 22-inch, Hamilton.....yards..	46.8	58.0
Coal, anthracite, stove.....bushels..	24.6	25.0
Petroleum, refined, 150° test.....gallons..	32.1	31.5
Nails, cut, 8-penny, fence and common.....pounds..	123	196
Nails, wire, 8-penny, fence and common.....do.....	114	207
Carbonate of lead (white lead), American, in oil.....do.....	64.4	69.9
Cement, Portland, American.....barrels..	1.7	2.1
Plate glass, area, 3 to 5 square feet.....square feet..	9.8	16.4
Glassware, tumblers, ½-pint, common.....do.....	222	293

a 1 pair and 93 cents over.  
c 3 pairs and 78 cents over.

b 1 pair and \$1.98 over.  
d 4 pairs and 78 cents over.

When the comparative value of silver is shown, the decrease is remarkable. The value in 1903 is less than in 1896, when measured by 22 of the 25 articles. In 1896 the value of 10 ounces of silver was equal to 150.5 pounds of granulated sugar, in 1903 it was equal to but 116.8 pounds; in 1896 equal to 144.5 yards of gingham, in 1903 to 98.6 yards; in 1896 equal to 109.6 yards of Indian Head sheetings, in 1903 to 79.6 yards; in 1896 equal to 50.3 bushels of stove coal (anthracite), in 1903 to but 31.5 bushels.

The table follows:

*Value of 10 ounces of silver (fine bar) in 1896 and 1903 when measured by the wholesale prices of the following articles.*

[Compiled from Bulletin No. 51, United States Bureau of Labor.]

Articles.	1896.	1903.
Coffee, Rio, No. 7.....pounds..	55.3	97.0
Sugar, granulated.....do....	150.5	116.8
Tea, Formosa, fine.....do....	26.4	23.6
Shoes, men's calf bal., Goodyear welt.....pairs..	(a)	(b)
Shoes, women's solid grain.....do....	(c)	(d)
Calico, Cochecho prints.....yards..	129.9	107.6
Denims, Amoskeag.....do....	69.0	48.1
Drillings, brown, Pepperell.....do....	119.0	87.6
Ginghams, Amoskeag.....do....	144.5	98.6
Hosiery, men's cotton half hose, 20 to 22 oz.....pairs..	98	83
Overcoatings, chinchilla, cotton-warp.....yards..	15.7	12.0
Sheetings, bleached, 10-4, Atlantic.....do....	40.1	25.5
Sheetings, brown, 4-4, Indian head.....do....	109.6	79.6
Shirtings, bleached, 4-4, Fruit of the Loom.....do....	98.0	70.7
Suitings, indigo blue, all wool, 14 oz. Middlesex.....do....	6.0	3.8
Tickings, Amoskeag, A. C. A.....do....	66.9	49.1
Women's dress goods, cashmere, cotton-warp, 22-inch, Hamilton.....yards..	95.9	73.2
Coal, anthracite, stove.....bushels..	50.3	31.5
Petroleum, refined, 150° test.....gallons..	65.6	39.8
Nails, cut, 8-penny, fence and common.....pounds..	251	247
Nails, wire, 8-penny, fence and common.....do....	233	261
Carbonate of lead (white lead), American, in oil.....do....	131.9	88.1
Cement, Portland, American.....barrels..	3.4	2.7
Plate glass, area, 3 to 5 square feet.....square feet..	20.1	20.7
Glassware, tumblers, ½-pint, common.....	455	369

a 2 pairs and \$2.02 over.

b 2 pairs and 72 cents over.

c 8 pairs and 2 cents.

d 6 pairs and 10 cents over.

#### PROTECTED LABOR IN AMERICA VS. FREE-TRADE LABOR IN GREAT BRITAIN.

##### OFFICIAL FIGURES U. S. GOVERNMENT REPORTS.

A comparison of wage conditions in the United States with those of our free-trade neighbor, Great Britain, is interesting. It is said that in no country is labor better organized than in Great Britain. Organized labor has therefore exerted at least as great an influence for higher wages there as it has in this country. Industrial conditions, under free trade, have, however, made it impossible for employers of labor to pay anything like the wages received by American workingmen.

At the same time that the preceding figures relating to wages were being collected in this country, a special agent of the United States Bureau of Labor visited Great Britain for the purpose of obtaining wage statistics from the pay rolls of British industrial establishments doing business continuously during the period from 1890 to 1903, so that statistics might be obtained for that country that are entirely comparable with those gathered in the United States.

The following table, which was also compiled from the July, 1904, bulletin of the federal bureau of labor, shows the general results of this investigation abroad as compared with the figures obtained for this country:

**We are a people of peace and desirous of winning its ample trophies.—Hon. C. W. Fairbanks, at Baldwin, Kas., June 7, 1901.**

**In the United States law is liberty and liberty is law.—Hon. C. W. Fairbanks, at St. Paul, Minn., August 31, 1903.**

**We seek physical power because it may advance our moral and intellectual well-being.—Hon. C. W. Fairbanks, at Lancaster, Mass., June 30, 1903.**

**It is as much our imperative duty to protect capital and labor in the free and proper exercise of their functions as it is to restrain and forbid the encroachments of wrong.—Hon. C. W. Fairbanks, at St. Paul, Minn., August 31, 1903.**



Year.	Blacksmiths.		Boilermakers.		Bricklayers.		Carpenters.		Compositors.		Hod Carriers.		Iron molders.	
	United States.	Great Britain.	United States.	Great Britain.	United States.	Great Britain.	United States.	Great Britain.	United States.	Great Britain.	United States.	Great Britain.	United States.	Great Britain.
1890.....	\$0.2677	\$0.1652	\$0.2594	\$0.1595	\$0.4316	\$0.1757	\$0.2713	\$0.1690	\$0.3980	\$0.1572	\$0.2259	\$0.1217	\$0.2540	\$0.1678
1891.....	.2681	.1650	.2577	.1603	.4365	.1791	.2730	.1757	.3997	.1651	.2248	.1217	.2565	.1678
1892.....	.2672	.1671	.2585	.1711	.4431	.1859	.2825	.1791	.4013	.1689	.2314	.1250	.2548	.1677
1893.....	.2677	.1654	.2583	.1646	.4436	.1859	.2744	.1791	.3933	.1692	.2325	.1250	.2557	.1683
1894.....	.2611	.1674	.2614	.1636	.4325	.1892	.2693	.1791	.3796	.1693	.2303	.1250	.2472	.1680
1895.....	.2602	.1695	.2629	.1645	.4367	.1892	.2692	.1825	.3827	.1689	.2320	.1318	.2476	.1700
1896.....	.2643	.1716	.2626	.1683	.4337	.1960	.2740	.1893	.3897	.1695	.2335	.1250	.2507	.1698
1897.....	.2604	.1740	.2607	.1677	.4361	.1994	.2748	.1926	.3925	.1697	.2322	.1250	.2525	.1756
1898.....	.2587	.1747	.2617	.1727	.4331	.1994	.2790	.1926	.3934	.1697	.2343	.1250	.2503	.1764
1899.....	.2637	.1770	.2654	.1744	.4597	.2028	.2839	.1994	.4086	.1699	.2518	.1250	.2568	.1790
1900.....	.2685	.1724	.2773	.1736	.4672	.2028	.3049	.2028	.4071	.1699	.2498	.1250	.2694	.1790
1901.....	.2757	.1722	.2794	.1735	.4912	.1994	.3190	.2028	.4252	.1730	.2546	.1250	.2739	.1766
1902.....	.2844	.1742	.2800	.1737	.5313	.2062	.3403	.2028	.4352	.1768	.2676	.1250	.2894	.1765
1903.....	.2962	.1740	.2848	.1719	.5471	.2062	.3594	.2028	.4467	.1795	.2863	.1250	.3036	.1787
Year.	Laborers, General.		Machinists.		Painters, house.		Plumbers.		Stone cutters.		Stone masons.			
	United States.	Great Britain.	United States.	Great Britain.	United States.	Great Britain.	United States.	Great Britain.	United States.	Great Britain.	United States.	Great Britain.		
1890.....	\$0.1507	\$0.0948	\$0.2413	\$0.1534	\$0.2680	\$0.1554	\$0.3464	\$0.1757	\$0.3730	\$0.1689	\$0.3722	\$0.1774		
1891.....	.1511	.0984	.2435	.1594	.2712	.1605	.3488	.1757	.3803	.1723	.3732	.1808		
1892.....	.1519	.0950	.2459	.1590	.2747	.1639	.3511	.1825	.3750	.1791	.3673	.1842		
1893.....	.1493	.0954	.2450	.1585	.2795	.1639	.3552	.1825	.3618	.1859	.3644	.1910		
1894.....	.1419	.0955	.2347	.1588	.2737	.1639	.3515	.1825	.3593	.1859	.3440	.1910		
1895.....	.1440	.0950	.2347	.1590	.2720	.1656	.3546	.1892	.3611	.1859	.3485	.1943		
1896.....	.1415	.0958	.2397	.1607	.2742	.1656	.3505	.1926	.3590	.1893	.3547	.1977		
1897.....	.1445	.0975	.2397	.1663	.2778	.1689	.3598	.1960	.3524	.1893	.3628	.1977		
1898.....	.1466	.0997	.2377	.1654	.2827	.1723	.3638	.1960	.3467	.1860	.3581	.2045		
1899.....	.1499	.1015	.2417	.1685	.2892	.1757	.3684	.2027	.3594	.1960	.3719	.2045		
1900.....	.1461	.1022	.2485	.1684	.3054	.1757	.3811	.2027	.3923	.1960	.3788	.2045		
1901.....	.1585	.1028	.2555	.1677	.3170	.1757	.3935	.2027	.3868	.1960	.4007	.2045		
1902.....	.1644	.1052	.2646	.1691	.3303	.1774	.4122	.2029	.3938	.1994	.4304	.2078		
1903.....	.1676	.1019	.2709	.1677	.3450	.1774	.4371	.2027	.4225	.1994	.4486	.2078		

These statistics show a remarkable difference between wage conditions in the United States and in Great Britain. During the 14 year period from 1890 to 1903 the average wage returns for each year, as shown in the table, range as follows: Blacksmiths, in the United States, \$0.26 to 0.29½, and in Great Britain \$0.16½ to 0.17½ per hour; boiler makers, in the United States, \$0.26 to 0.28½, and in Great Britain \$0.16 to 0.17½ per hour; bricklayers, in the United States, \$0.43 to 0.54½, and in Great Britain \$0.17½ to 0.20½ per hour; carpenters, in the United States, \$0.27 to 0.36, and in Great Britain \$0.17 to 0.20½ per hour; compositors, in the United States, \$0.38 to 0.44½, and in Great Britain \$0.15½ to 0.18 per hour; hodcarriers, in the United States, \$0.22½ to 0.28½, and in Great Britain \$0.12 to 0.13 per hour; ironmolders, in the United States, \$0.24½ to 0.30½, and in Great Britain \$0.17 to 0.18 per hour; general laborers, in the United States, \$0.14 to 0.17, and in Great Britain \$0.09½ to 0.10½ per hour; machinists, in the United States, \$0.23½ to 0.27, and in Great Britain \$0.15½ to 0.17 per hour; house painters, in the

United States, \$0.27 to 0.34½, and in Great Britain \$0.15½ to 0.17½ per hour; plumbers, in the United States, \$0.34½ to 0.43½, and in Great Britain \$0.17½ to 0.20½ per hour; stone cutters, in the United States, \$0.34½ to 0.42, and in Great Britain \$0.17 to 0.20 per hour; stone masons, in the United States, \$0.34½ to 0.45, and in Great Britain \$0.17½ to 0.21 per hour.

The claim is sometimes made that the increased wages in this country since the years of the depression (1893 to 1897) were accompanied by like increases in Great Britain. That this is not the case can be shown by examining the following table, in which the wages in 1896 and in 1903 and the percentage of increase in the United States and in Great Britain during that period are placed side by side:

*Wages in the United States and Great Britain in 1896 and 1903.*

[Compiled from Bulletin No. 51, United States Bureau of Labor.]

Occupation.	Wages per hour.					
	United States.			Great Britain.		
	1896.	1903.	Per cent in-crease.	1896.	1903.	Per cent in-crease.
Blacksmiths.....	\$0.2643	\$0.2962	12.1	\$0.1716	\$0.1740	1.4
Boilermakers.....	0.2626	0.2848	8.5	.1683	.1719	2.1
Bricklayers.....	.4337	.5471	26.1	.1960	.2062	5.2
Carpenters.....	.2740	.3594	31.2	.1893	.2028	7.1
Compositors.....	.3897	.4467	14.6	.1695	.1795	5.9
Hodcarriers.....	.2335	.2863	22.6	.1250	.1250	0.0
Ironmolders.....	.2507	.3036	21.1	.1698	.1787	5.9
Laborers, general,..	.1415	.1676	18.4	.0958	.1019	6.4
Machinists.....	.2397	.2709	12.6	.1607	.1677	4.4
Painters, house.....	.2742	.3450	26.5	.1656	.1774	7.1
Plumbers.....	.3505	.4371	25.8	.1926	.2027	5.2
Stonecutters.....	.3590	.4225	24.7	.1893	.1994	5.3
Stone masons.....	.3547	.4486	17.7	.1977	.2078	5.1

The tendency of wages in all industrial countries is to increase gradually from year to year except at times of industrial depression, and while such a normal increase is noticeable in the figures for Great Britain from 1896 to 1903, the figures for the United States during this period plainly show that the increase here has been phenomenal. Thus, while from 1896 to 1903 the wages of blacksmiths increased 1.4 per cent in Great Britain they increased 12.1 per cent in the United States; the wages of boiler makers increased 2.1 per cent in Great Britain and 8.5 per cent in the United States; the wages of bricklayers increased 5.2 per cent in Great Britain and 26.1 per cent in the United States; the wages of carpenters increased 7.1 per cent in Great Britain and 31.2 per cent in the United States; the wages of compositors increased 5.9 per cent in Great Britain and 14.6 per cent in the United States; the wages of hod carriers showed no change in Great Britain and increased 22.6 per cent in the United States; the wages of iron molders increased 5.9 per cent in Great Britain and 21.1 per cent in the United States; the wages of general laborers increased 6.4 per cent in Great Britain and 18.4 per cent in the United States; the wages of machinists increased 4.4 per cent in Great Britain and 12.6 per cent in the United States; the wages of house painters increased 7.1 per cent in Great Britain and 26.5 per cent in the United States; the wages of plumbers increased 5.2 per cent in Great Britain and 25.8 per cent in the United States; the wages of stone cutters increased 5.3 per cent in Great Britain and 24.7 per cent in the United States; and the wages of stone masons increased 5.1 per cent in Great Britain, while they increased 17.7 per cent in the United States.

*Thus, while the percentage of increase in these 13 occupations ranged from 0.0 to 7.1 per cent in Great Britain, it ranged from 8.5 per cent to 31.2 per cent in the United States.*

## Official Figures from British Reports.

In the chapter on wages and cost of living it has been shown that in the United States the rise in wages has more than kept pace with the increased cost of food commodities. In the preceding chapter it has been shown that from 1896 to 1903 the percentage of increase in the wage rates in 13 leading occupations ranged from 0 to 7 per cent. It is interesting in this connection to observe how this slight increase in British wages compares with the increase in the food prices of that country. A report recently published by the British Government contains statistics of wholesale and retail prices in the United Kingdom up to and including 1902. From this report the following quotations of retail prices in London have been compiled:

Articles.	Retail Prices.			Articles.	Retail Prices.		
	1896	1902	Per cent increase.		1896	1902	Per cent increase.
Flour, per 14 lbs.	\$	\$		Bacon, best Irish, per lb.	\$	\$	
Pastry whites.....	.36	.40	11	Back ribs.....	.17	.22	29
Households.....	.34	.39	15	Gammon.....	.12	.15	25
Superflue.....	.36	.40	11	Fore ends.....	.08	.12	50
Brown Meal.....	.33	.38	15	Loins.....	.18	.22	22
American.....	.33	.42	27	Collar.....	.10	.15	50
Rice, per 2 lbs.				Bacon, best Wiltshire, per lb.			
Carolina.....	.16	.18	12	Back ribs.....	.18	.24	33
Java.....	.09	.10	11	Gammon.....	.12	.16	33
Fine Patna.....	.08	.08	0	Fore ends.....	.08	.12	50
Rangoon.....	.06	.06	0	Loins.....	.19	.24	26
Ground.....	.06	.06	0	Collar.....	.10	.15	50
Beef, British, per lb. in September.				Hams, York, per lb.			
Fillet.....	.28	.30	7	Under 16 lbs.....	.22	.26	18
Gravy beef.....	.14	.16	14	Over 16 lbs.....	.21	.24	14
Top ribs (whole).....	.15	.16	7	Hams, Irish, per lb.			
Fore ribs (prime).....	.21	.24	14	Over 10 lbs.....	.21	.26	24
Sirloin (prime cuts).....	.22	.25	14	Eggs, cooking, per doz. in October.....	.22	.26	18
Sirloin (wing end).....	.21	.24	14	Eggs, new laid, per doz. in October.....	.32	.36	12
Beef steak.....	.20	.24	20	Sugar, per 7 lbs.			
Rump steak.....	.28	.32	14	Moist, for cooking....	.24	.28	17
Mutton, British, per lb. in September.				Demorara (2d quality).....	.27	.28	4
Breasts.....	.07	.08	14	Loaf, for table use....	.31	.31	0
Chops, trimmed.....	.28	.28	0	Castor.....	.30	.31	3
Fore quarters.....	.15	.16	7	Tea, China, unblended, lb.			
Hind quarters.....	.19	.20	5	Kaisow Congon.....	.36	.40	11
Pork, British, per lb. in September.				Orange Pekoe.....	.46	.50	9
Bellies or springs.....	.14	.17	21	Gun Powder.....	.62	.66	6
Chops.....	.22	.24	9	Coffee, Mocha, per lb.			
Legs.....	.17	.19	12	Unroasted.....	.33	.33	0
Loins, fore.....	.15	.17	13	Roasted.....	.38	.38	0
Loins, hind.....	.19	.22	16	Ground.....	.39	.39	0
Loins, whole.....	.16	.18	12	Coffee, Costa Rica, ground, per lb.	.36	.36	0

Thus, while wages in Great Britain increased from 0 to 7 per cent in 13 leading occupations as above shown, the price of flour in that country increased from 11 to 27 per cent; the price of rice from 0 to 12 per cent; the price of beef from 7 to 20 per cent; the price of mutton from 0 to 14 per cent; the price of fresh pork from 9 to 21 per cent; the price of bacon from 22 to 50 per cent; the price of ham from 14 to 24 per cent; the price of eggs from 12 to 18 per cent; the price of sugar from 0 to 17 per cent; and the price of tea from 6 to 11 per cent, and so on. This shows that our British cousins have not been as fortunate as we during the past few years, and that, although we have paid more for our commodities in 1903 than in 1896, we, at least, unlike our British cousins, have had the wages to pay for them.

The British Board of Trade, by order of Parliament, recently published comparative statistics of wages in Great Britain and a few other countries. The data relate to the years between 1895 and 1902, but mainly to the years 1898 to 1901, and cover returns for fifteen skilled occupations. The following table gives a summary of these returns, corrected to a standard year, for Great Britain and the United States:



*Current weekly wage rates for certain skilled occupations.*

[Source: Memoranda, statistical tables, and charts prepared in the Board of Trade with reference to various matters bearing on British and foreign trade and industrial conditions, pp. 291 and 292.]

Occupations.	Weekly wage rates in London.	Weekly wage rates in New York.	Per cent excess of New York over London wage rates.	Weekly wage rates in other towns.		Per cent excess of American over British wage rates.
				Great Britain.	United States.	
	s. d.	s. d.		s. d.	s. d.	
Blacksmiths .....	38 0	62 6	64	36 0	75 0	108
Brass molders .....	36 0	75 0	108	36 0	66 3	84
Cabinet makers .....	42 8½	70 0	64	35 6	58 2	64
Carpenters and joiners..	43 9	82 7	89	38 3	73 4	92
Compositors.....	38 0	79 2	108	32 3	56 3	74
Lithographic printers....	40 0	104 2	160	34 0	85 3	151
Machinists (fitters).....	38 0	62 6	64	35 0	52 1	51
Machinists (turners).....	38 0	70 7	86	35 0	52 10	51
Masons.....	43 9	120 0	174	39 2¼	84 4½	115
Painters.....	36 5½	87 3	139	35 0¾	73 3	109
Pattern makers.....	42 0	75 0	79	37 0	68 9	86
Plasterers .....	45 10	106 7	133	39 3	87 6	123
Plumbers .....	43 1	93 3	116	38 3	93 9	145
Upholsterers .....	44 10	75 0	67	36 0	55 3	54
All of above fifteen trades.....	42 0	75 0	79	36 0	69 4	93

The above statistics show that the average wage rates in the United States are nearly twice as high as those in Great Britain, and fully corroborate the figures published by the United States Bureau of Labor.

The following statistics of wages per hour in London in 1903, taken from the Ninth Annual Abstract of Labor Statistics published by the British labor department, agree almost exactly with those obtained from private establishments by a special agent of the United States Bureau of Labor and shown on page :

Bricklayers, \$0.21; carpenters, \$0.21; painters, \$0.18; plasterers, \$0.22; plumbers, \$0.22; stone masons, \$0.21; masons and plasterers' laborers, \$0.14.

**Lower Prices in the United States Than in England.**

The claim is often made that while wages are higher in the United States the cost of living is correspondingly cheaper in Great Britain. That this statement is erroneous can be proved by official statistics obtained simultaneously in both countries. In 1892 the Senate Committee on Finance made an extensive report on "Retail Prices and Wages" in leading cities of the United States and Europe at different periods from June, 1889, to September, 1891. Among the cities considered in this report were St. Louis, Mo., and Manchester, England. A comparison of the prices of articles of identically the same description, obtained at the same time, namely, June, 1889, and September, 1891, in both cities, shows that instead of the necessary commodities of life being higher in the United States than in England, they are, on the contrary, as a rule, much lower. This is shown in the table which follows. A glance at this table shows that most of the necessary food products, such as bread, eggs, lard, bacon, roast beef, hams, mutton, milk, starch, and canned vegetables, were much lower in St. Louis than in Manchester, while the prices of the few remaining food products averaged about the same in both countries.

With regard to clothing and cloth goods, we find that men's hosiery, cotton shirts, sheetings, shirtings, and cotton and woolen dress goods of the same description and quality, were cheaper in St. Louis than in Manchester; that carpets, flannels, and cotton underwear averaged about the same, and that only in the case of men's hats was there any decided difference in favor of the Manchester purchaser.

Household articles, such as earthenware, glassware and cutlery, were nearly the same in price in St. Louis as in Manchester, with a very slight difference in some cases in favor of the latter city.

*Retail prices of commodities of ordinary consumption in St. Louis, Mo., and Manchester, England, in June, 1889, and September, 1891.*

[Compiled from the report of the Senate Committee on Finance on "Retail prices and wages."]

	St. Louis, Mo.		Manchester, England.	
	June, 1889.	Sept., 1891.	June, 1889.	Sept., 1891.
<b>Food products:</b>				
Bread, best quality of bakers', per pound.....	\$0.22 to \$0.04	\$0.25 to \$0.04	\$0.04½ to .30	\$0.5½ to .6½
Butter, best creamery, per pound.....	.12 to .30	.18 to .20	.22½ to .18½	.4½ to .8½
Eggs, not limed, and from vicinity.....	.09 to .10	.09 to .10	.16½ to .04½	.4½ to .8½
Lard, pure leaf, per pound.....	.03½ to .05	.03 to .05	.20½ to .04½	.8½ to .8½
Meal, oat, per pound.....	.10½ to .12½	.11 to .15	.20½ to .20½	.10½ to .10½
Meat, beef, canned corn, No. 2 size, per can.....	.18 to .25	.20 to .25	.11½ to .18½	.13½ to .16½
Meat, beef, roasting, cuts of, per pound.....	.05 to .08	.05 to .08	.14½ to .06	.16½ to .16½
Meat, ham, per pound.....	.08½ to .18	.06½ to .15	.05 to .06	.06 to .06
Meat, mutton, shoulder, per pound.....	.05 to .10	.05 to .10	.07½ to .10	.08 to .08
Milk, fresh, per quart.....	.05 to .06	.05 to .06	.04¾ to .05	.05 to .05
Rice, Carolina prime, or similar grade, per pound.....	.08 to .10	.07½ to .10	.08½ to .10	.13½ to .13½
Sugar, granulated, per pound.....	.07½ to .10	.08 to .10	.23½ to .11½	.21½ to .21½
Vegetables, canned, corn, standard, No. 2 size, per can.....	.08 to .10	.08½ to .10	.10 to .15	.10 to .10
Vegetables, canned, peas, standard, No. 2 size, per can.....	.10 to .15	.10 to .15	.08½ to .10	.08½ to .10
Vegetables, canned, tomatoes, standard, No. 3 size, per can.....	.08 to .10	.08½ to .10	.85 to .90	.37½ to .37½
<b>Cloth and clothing:</b>				
Carpets, ingrain, standard, per yard.....	.75 to .90	.85 to .90	.31½ to .31½	.31½ to .31½
Flannels, twilled, scarlet, all wool, 3-4, per yard.....	.30 to .50	.25 to .45	.85½ to .85½	.85½ to .85½
Hats, men's derby, medium grade, each.....	2.00 to 3.00	1.90 to 2.50	.24½ to .24½	.24½ to .24½
Hosiery, men's cotton socks, mixed, per pair.....	.10 to .15	.10 to .15	.109½ to .109½	.109½ to .109½
Linen goods, men's cotton shirts, linen bosoms, 8 by 15 in.....	.50 to .75	.50 to .75	.09 to .09	.09 to .09
Sheetings, brown standard, per yard.....	.07½ to .08½	.07½ to .08½	.13½ to .13½	.13½ to .13½
Shirtings, bleached, 4-4, per yard.....	.08½ to .10	.08½ to .10	.46½ to .46½	.46½ to .46½
Underwear, cotton shirts, Balbriggan, 34, gauge.....	.35 to .65	.35 to .75	.24½ to .24½	.24½ to .24½
Underwear, cotton drawers, Balbriggan, 34, gauge, per pair.....	.35 to .65	.35 to .75	.06 to .06	.06 to .06
Women's dress goods, cotton warp cashmere, per yard.....	.25 to .25	.25 to .25	.04½ to .05	.04½ to .05
Women's dress goods, all wool cashmere, per yard.....	1.00 to 1.00	1.00 to 1.00	.50 to .75	.50 to .75
<b>Miscellaneous:</b>				
Soap, best family, per pound.....	.06 to .06¾	.06 to .06¾	.07 to .07	.07 to .07
Starch, ordinary laundry, per pound.....	.03 to .05	.04½ to .05	.07 to .07	.07 to .07
Quinine, per ounce.....	.50 to .75	.50 to .75	1.46 to 1.46	.85½ to .85½

On the other hand, furniture cost from about one-fifth to one-half as much in the United States as in Great Britain, so that for the cost of one bed-room set in Manchester one could buy from two to three sets in St. Louis; and for the cost of one dining table at Manchester, a whole dining-room set could be bought in St. Louis.

While the figures above quoted are the results of investigations made several years ago, there is no reason to believe that relative conditions have changed materially since that time. The almost unanimous opinion of members of the Moseley Labor Commission, composed of English workingmen, which visited the United States in 1902, was that the cost of living was about the same in the United States as in England. (See "Moseley Commission," in index.)

But the question may be asked, "If the American workingmen earn so much more and pay so much less for what they consume, why are they not all wealthy and contented?" The answer may be found in the statement of the eminent French scientist, Prof. Emile Levasseur, in his work on "*L'Ouvrier Americain*" (The American Workingman). After summing up the conditions of labor in America as compared with Europe, he says that wages in the United States are about double the wages in Europe; that objects of ordinary consumption by working people (excepting dwelling houses) cost less in the cities of the United States than in those of Europe; that *the American workingman lives better than the European, that he eats more substantially, dresses better, is more comfortably housed and more often owns his dwelling, spends more for life insurance and various social and beneficial associations, and, in short, has a much higher standard of life than the European workingman.*

#### Advantages of American Labor.

A great deal has been written and said about the superior advantages which American labor holds over the labor of other countries. In August, 1901, a wealthy Scotch manufacturing firm sent a delegation of workmen to the United States to investigate practical conditions and compare them with British conditions of labor and wages. There were twelve men in the party, selected by popular vote from their fellow-workmen in the shops, and representing the following trades: Pottery, painting, decorating, upholstery and woodwork, engineering, railways, building, mining, textile working, metallurgy, coach building, and electricity.

The delegation visited Pittsburg, Cleveland, Buffalo, New York, Paterson, Fall River, Trenton, Philadelphia, East Liverpool, Ohio, and Niagara, crossing over into Canada.

The report made when they returned, after a thorough investigation of the practical features of the artisan's life, was very complimentary to the American mechanic and artisan, and showed that under the beneficent economic policies which now prevail in this country the American workingman enjoys many advantages over his neighbor across the water.

They reported that the ordinary craftsman received more cash in return for his labor in the United States, and thus could command many and more varied luxuries than his British cousin, but, at the same time, he has to pay far more for these luxuries than he would on the other side of the Atlantic. A frugal American artisan, however, has it within his power to save money, which is denied his British rival. The very fact that the American receives more money in hand at the week's end gives him this opportunity to save, because the British workman seldom receives the same amount, and therefore is denied any opportunity of hoarding the needful for a rainy day.

The delegation reported that the United States will not only provide for its own wants in the near future, but will be, in addition, able to supply a great portion of the wants of the civilized world.

During the past thirty years it has been noted that in textile fabrics alone America has gone to the front, and in the flax, silk, hemp and similar industries the Americans can now hold their own. The trade of India and Scotland, to a large extent, still depends on the buyers in the United States, but year after year it is becoming more evident that the buyer will not only produce his own goods but will quote to the merchant who was originally a



seller. In such a commodity as binder twine, for instance, it is not a great number of years since the American farmer used British made twines. Now the British market is overrun with the American production, thus reversing the former order of things.

Wages in America total far more as compared with British pay. This increase may be placed at one-half to two-thirds more than is earned in England and Scotland. The men from whom this was learned were mechanics, factory workers, dyers, stonecutters and various other trades.

*The delegation reported that not in a single instance did they find the American workman paid lower wages than the British workman.*

The delegation reported that the climatic conditions of America to a certain extent favor the workingman and the workingman's wife. Looking back upon the pottery district of Trenton, and even in the larger city of Philadelphia, it was with pleasing satisfaction they noted the evening promenade of the sexes. Hatless the ladies came; coatless, often, were the gentlemen. The ladies' dresses of light material, minus gloves, and even with arms bare, carried a comforting look under the cloudless skies. The houses of the working classes were enticing externally, and the inside arrangements far ahead of workingmen's houses in England or Scotland.

They visited Paterson, N. J., and studied the textile industry. Here they learned that the all-important item of wages shaded British pay bills, and that even women gained almost as much hard cash within the walls of a Paterson factory as males do in England. It was intensely gratifying to them to note that female labor was assessed at greater value than it is abroad, and as it should be in a great many instances where it certainly is not.

## TRUSTS AND LABOR.

### A Study of Industrial Combinations and Their Effect on Wages, Employment, and Prices.

The United States Department of Labor published in its bulletin for July, 1900, the results of a careful investigation of 41 trusts and industrial combinations, the investigation covering, among other subjects, the dates of formation, capitalization, amount and character of stocks and bonds issued, profits, wages, number of employes, and prices before and after the combination, etc. The report was prepared by Prof. J. W. Jenks, of Cornell University, the trust expert of the United States Industrial Commission, and the material was collected by special agents and experts of the United States Department of Labor.

As far as statistics were available the report shows in general a greater number of persons employed and higher wages paid in the same establishment after the combination than before. Owing to the fact that the books of many corporations before they entered into the combination were not accessible, only a portion of the combinations were able to furnish statistics of wages and persons employed before and after the combination.

The report shows that of 14 establishments giving returns 9 show an increase in the average wages of superintendents and foremen, 4 show a decrease, and in 1 there has been no change. Out of these 14 companies 10 were formed in the years 1898 and 1899, so that the comparison of conditions before and after is a very direct one.

In 7 cases out of the 14 the wages of traveling salesmen increased, in 2 they decreased, and in 1 they remained the same. In 2 cases no traveling salesmen had been employed by the companies entering into the combination, whereas after the combination was made such men were put to work. In one case in which traveling salesmen had been employed by the separate companies their services were dispensed with after the combination. One establishment reported none employed before or after.

The average annual wages of skilled laborers have increased in 10 cases and decreased in 2. The average annual wages of unskilled laborers have increased in 10 cases, decreased in 1, and remained the same in 1, after the combination.

Taking the employees as a whole, the results show that out of 12 cases reporting there had been an increase of wages in 9 cases and a decrease in 3.

Taking all employees collectively in each of the 13 combinations reporting, there have been but two cases of a decrease in the number of employees and but one case of a decrease in the total annual wages paid.

The following table shows the annual average wages paid before and after the formation of the combinations and the per cent. of increase or decrease in the average annual wages, as well as the per cent of increase or decrease in the number of employees and the total amount of wages paid, by classes of employees:

*Average annual wages paid before and after the formation of the combinations, and per cent of increase or decrease in wages and the number of employees.*

(Increase (+); decrease (-).)

Occupations.	Combinations reporting.	Average annual wages paid.			Per cent of increase or decrease in the number of employees.	Per cent of increase or decrease in total amount of wages paid.
		Under uniting companies.	Under combinations.	Per cent of increase or decrease.		
Superintendents and foremen.	12	\$1,262	\$1,227	- 2.77	+11.79	+ 8.72
Traveling salesmen.	12	1,346	1,246	- 7.43	+ 4.17	- 3.57
Skilled laborers.	9	620	705	+13.71	+23.34	+40.13
Unskilled laborers.	9	294	351	+19.39	+20.06	+43.38
Clerks.	9	757	798	+ 5.42	+36.45	+43.98
Other employees.	9	754	662	-12.20	+29.06	+13.42
All employees.	9	460	518	+12.61	+21.56	+36.68

This table shows an increase in the average annual wages paid to skilled laborers, to unskilled laborers, and to clerks, and a decrease in the average annual wages paid to superintendents and foremen, traveling salesmen, and the unclassified employees. Taking all of the employees together, the percentage of increase of average annual wages has been 12.61.

*In all lines, taking together all the establishments which have reported, there has been a decided increase in the number of employees; and in all cases, with the exception of the traveling salesmen, there has been also an increase in the total amount of wages paid.*

A table giving the total amount of gross sales, number of employees and total annual wages in the case of eight combinations reporting, shows a decided increase in the efficiency of the employees, the average increase of gross sales being 47.32 per cent., as compared with an increase of 27.59 per cent. in the number of employees, and 38.19 per cent. in the total annual wages paid. The increase of 38.19 per cent. in the annual wages as compared with the increase of 27.59 per cent. in the number of employees, shows that the benefit of this increase of efficiency did not go entirely to the employers, but was divided between them and the employees.

#### "OUT OF WORK BENEFITS" UNDER DEMOCRATIC AND REPUBLICAN ADMINISTRATION.

While no one familiar with the methods of the federal bureau of labor doubts the accuracy and integrity of its work, there may be some who either through ignorance or for political reasons may endeavor to bring discredit upon its figures. For this reason other sources have been consulted, and the same results are shown.

It is plain that nothing shows more clearly the condition of employment than statistics of out-of-work benefits paid by labor organizations.

The Cigar Makers' International Union is exhibiting at the St. Louis World's Fair a chart showing, for each year from 1890 to 1903, the total cost of out-of-work benefits paid to members of

that organization, and the total membership. By dividing this cost by the membership we ascertain the average cost per member. These figures are given in the following table:

*Out-of-work benefits paid by the Cigar Makers' International Union from 1890 to 1903.*

Year.	Total cost of out-of-work benefits.	Total membership of C. M. I. U.	Average cost per member of out-of-work benefits.
1890.....	\$22,760.50	24,624	\$0.92
1891.....	21,223.50	24,221	0.88
1892.....	17,460.75	26,678	0.65
1893.....	89,402.75	26,788	3.34
1894.....	174,517.25	27,828	6.27
1895.....	166,377.25	27,760	5.99
1896.....	175,767.25	27,318	6.43
1897.....	117,471.40	26,347	4.46
1898.....	70,197.70	26,460	2.65
1899.....	38,037.00	28,994	1.31
1900.....	23,897.00	33,955	0.70
1901.....	27,083.76	33,974	0.80
1902.....	21,071.00	37,023	0.57
1903.....	15,558.00	39,301	0.40

This table is interesting. From 1890 to 1892 the cost per member for out-of-work benefits decreased from \$0.92 to \$0.65. In March, 1893, the Democratic administration came into power. The cost per member increased in that year to \$3.34, then to \$6.27, then a slight drop to \$5.99 and a rise again in 1896 to \$6.43 per member! In March, 1897, the Republican administration returned. The cost per member during that year fell to \$4.46, and for each year since it shows a rapid decline, until in 1903 it was reduced to but \$0.40 per member. *Thus while from 1896 to 1903 the total membership increased from 27,318 to 39,301, or 43 per cent., the total cost for out-of-work benefits decreased from \$175,767.25 to \$15,558.00, or 91 per cent.*

#### REPORTS OF STATE LABOR BUREAUS.

During recent years a number of state labor bureaus, particularly those in states having considerable manufacturing interests, have published from year to year information showing, among other things, the number of persons employed in leading industries, the total and average wages paid employees, the number of days establishments were in operation during the year, the value of products, etc. These statistics are separately discussed for each state for which comparative data could be obtained. Unfortunately none of these bureaus except that of New York has published data for 1903, the year of highest wages. Nevertheless, as far as the figures go, they corroborate those of the federal bureau of labor.

#### Illinois Labor Reports.

In the biennial reports of the Bureau of Labor Statistics of Illinois the industrial conditions are shown for recent years in 627 identical establishments, representing 38 industries. No information for years later than 1899 has yet been published. Tables are shown comparing conditions in the years 1895, 1897 and 1899, from which the following have been compiled:

*Six hundred and twenty-seven identical establishments, representing 38 industries.*

[Compiled from the biennial reports of the Bureau of Labor Statistics of Illinois.]

#### INCREASE IN NUMBER OF PERSONS EMPLOYED.

Year.	Average number of persons employed.	Increase as compared with previous year shown.		Increase as compared with the year 1895.	
		Number.	Per cent.	Number.	Per cent.
1895.....	22,466	.....	.....	.....	.....
1897.....	23,567	1,101	4.90	1,101	4.90
1899.....	29,166	5,599	23.76	6,700	29.82



## INCREASE IN TOTAL WAGES PAID.

Year.	Total wages paid.	Increase as compared with previous year shown.		Increase as compared with the year 1895.	
		Amount.	Per cent.	Amount.	Per cent.
1895.....	\$9,800,033				
1897.....	10,335,919	\$535,886	5.47	\$535,886	41.59
1899.....	13,876,259	3,540,340	34.25	4,076,226	5.47

## INCREASE IN AVERAGE YEARLY EARNINGS.

Year.	Average yearly earnings.	Increase as compared with previous year shown.		Increase as compared with the year 1895.	
		Amount.	Per cent.	Amount.	Per cent.
1895.....	\$436.32				
1897.....	438.58	\$2.36	0.54	\$2.36	0.54
1899.....	475.77	37.19	8.48	39.55	9.07

## Massachusetts Labor Reports.

The annual statistics of manufactures in Massachusetts, published by the Massachusetts Bureau of Statistics of Labor, present reports from a large number of manufacturing establishments in the state, and each year compare conditions with the previous year, in the same establishments.

The following table compiled from the Massachusetts reports shows the percentage of increase or decrease each year over the year preceding in the same establishments, in the number of persons employed, the average yearly earnings per employee, and the value of goods made and work done:

*Percentage of increase or decrease in the number of employees, average earnings per employee and value of goods made or work done in manufacturing establishments.*

Compiled from the "Annual Statistics of Manufactures in Massachusetts," published by the Massachusetts Bureau of Statistics of Labor.]

Years compared.	Number of establishments reporting.	Persons employed.		Average yearly earnings per employee.		Value of goods made and work done.	
		Per cent of increase as compared with previous year.	Per cent of decrease as compared with previous year.	Per cent of increase as compared with previous year.	Per cent of decrease as compared with previous year.	Per cent of increase as compared with previous year.	Per cent of decrease as compared with previous year.
1888-1889.	1364	0.89		1.45		2.45	
1889-1890.	3041	2.70		1.58		4.37	
1890-1891.	3745	1.72		0.91		1.33	
1891-1892.	4473	4.53		1.51		5.37	
1892-1893.	4397		4.26		3.64		8.10
1893-1894.	4093		6.22		3.28		10.27
1894-1895.	3629	9.02		2.19		9.18	
1895-1896.	4609		2.94		.05		5.51
1896-1897.	4695				1.16	3.04	
1897-1898.	4701	2.72			0.18	4.62	
1898-1899.	4740	1.80		1.86		15.59	
1899-1900.	4645	3.77		2.80		8.51	
1900-1901.	4696	3.60		1.82		5.36	
1901-1902.	4658	6.46		2.29		8.66	

**New York Labor Reports.**

The following tables and text matter concerning New York have been reproduced from Bulletin No. 19, of the department of labor of the State of New York:

Since 1897 the New York bureau has collected statistics of actual earnings of wage-workers through the officers of workingmen's organizations, reaching in this way 150 wage-earners where one could have been reached by means of individual schedules. The New York statistics are based on quarterly reports collected twice a year and thus cover one-half of each year.

*Average earnings of organized workingmen, 1897-1903.*

Year.	January-March.	July-September.	Average for three months.	Estimated average for one year.	Estimated number of days of employment in year.
1897.....	\$145	\$174	\$163	\$650	254
1898.....	164	175	169	678	255
1899.....	172	197	187	747	273
1900.....	176	182	179	716	265
1901.....	183	194	189	756	274
1902.....	184	197	191	765	278
1903.....	186	190	188	753	278

Experience has shown that earnings in the six months April-June and October-December run about the same as in the six months for which statistics are collected, so that it is not erroneous to estimate the year's earnings on that basis. Between 1897 and 1903 the average yearly earnings of men increased \$103 (from \$650 to \$753), or 16 per cent. As a matter of fact, the real increase was much larger, for the membership of trades unions more than doubled in the above-mentioned period and the new members almost invariably belonged to trades or lived in localities where they worked for lower rates of wages than the old members. As a consequence of these additions the average daily wage appeared to be stationary after 1899, while as a matter of fact it was almost universally advancing. In 1901, for example, 47,585 members of unions obtained advances averaging \$1.97 a week, while only 2,668 suffered reductions in weekly wages—and these were principally due to the establishment of shorter hours of work. In 1902, again, 93,225 trades-unionists secured increases in wages averaging \$1.78 a week, while only 3,329 sustained decreases. Considering these facts, it seems quite conservative to say that wage rates increased at least 10 per cent between 1897 and 1903. In that period employment increased as follows:

*Percentage of working time in which organized workingmen and women were employed and idle.*

Year.	Employed.	Idle.
	Per cent.	Per cent.
1897.....	69.7	30.3
1898.....	76.0	24.0
1899.....	82.0	18.0
1900.....	79.5	20.5
1901.....	82.8	17.2
1902.....	86.6	13.4
1903.....	86.1	13.9

The duration of employment in 1903 was therefore 24 per cent greater than in 1897. Assuming that rates of wages increased only 10 per cent in the same interval, their gain in earnings would be 36 per cent. This is doubtless larger than the increase enjoyed by workers in manufacturing industries.

**We have a veneration for the past and it is well.—Hon. C. W. Fairbanks, in commencement address at Baker University, Baldwin, Kas., June 7, 1901.**

**Cheap labor is not the sole end we seek in the United States. \* \* \* We desire not only well-paid labor, but want that labor steadily employed.—Hon. C. W. Fairbanks, at Kansas City, Mo., September 1, 1902.**

The following tables show the—

*Prevailing daily rates of wages in the building industry of New York City (Manhattan Borough) from 1883 to 1903.*

Year.	Bricklay- ers and masons.	Carpen- ters.	House- smiths.	Laborers.		Painters and decor- ators.
				Masons.	Plasterers.	
1883.....	\$4.00	\$3.50	\$2.75	\$2.50	\$3.00	\$2.50-4.00
1884.....	4.00	3.50	2.75	2.50	3.00	2.50-4.00
1885.....	4.00	3.50	2.75	2.50	3.00	3.00-4.00
1886.....	4.00	3.50	2.75	2.50	3.00	3.12-4.00
1887.....	4.00	3.50	2.75	2.75	3.00	3.12-4.00
1888.....	4.00	3.50	2.75	2.25-2.75	.....	3.50-4.00
1889.....	4.00	3.50	2.75	2.25-2.75	.....	3.50-4.00
1890.....	4.50	3.50	2.75	2.25-2.75	.....	3.50-4.00
1891.....	4.00-4.50	3.50	2.00-2.75	2.40-2.50	2.50	3.50-4.00
1892.....	4.00	3.50	2.00-2.75	2.40-2.50	2.50	3.50-4.00
1893.....	4.00	3.50	2.00-2.75	2.40-2.50	2.75	3.50-4.00
1894.....	4.00	3.50	2.00-2.75	2.40	2.75	3.50-4.00
1895.....	4.00	3.50	2.00-2.75	2.40	2.75	3.50-4.00
1896.....	4.00	3.50	2.00-2.75	2.40	2.75	3.50-4.00
1897.....	4.00	3.50	2.50	2.40	2.75	3.00-4.00
1898.....	4.00	3.50	2.50-2.80	2.40	2.75	3.00-4.00
1899.....	4.40	3.50-4.00	2.80-3.50	2.64	3.00	3.00-4.00
1900.....	4.40	4.00	3.20-3.50	2.64	3.00	3.00-4.00
1901.....	4.80	4.00	3.76	2.64	3.00	3.00-4.50
1902.....	5.20	4.50	4.00	2.80	3.25	a 3.50-4.50
1903.....	5.20	4.50	4.50	2.80	3.25	a 3.50-4.50

Year.	Plasterers.	Plumbers and gas fitters.	Roofers.	Sheet- metal workers.	Steam fitters.	Tile layers.
1883.....	\$4.00	\$3.00-3.50	\$3.00	\$2.00-3.00	\$3.00	.....
1884.....	4.00	3.50	3.50	2.00-3.00	3.50	.....
1885.....	4.00	3.50	3.50	2.00-3.00	3.50	\$3.50
1886.....	4.00	3.50	3.50	2.50-3.50	3.50	3.50
1887.....	4.00	3.50	3.50	2.50-3.50	3.50	3.50
1888.....	4.50	3.50	3.50	3.00	3.50	3.50
1889.....	4.00	3.50	3.50	3.25	3.50	3.50-4.00
1890.....	4.00	3.50	3.50	3.25	3.50	3.50-4.00
1891.....	4.00	2.75-3.75	3.50	3.25	3.50	4.00
1892.....	4.00	2.75-3.75	3.50	3.25	3.50	4.00
1893.....	4.00	2.75-3.75	3.50	3.25	3.50	4.00
1894.....	4.00	2.75-3.75	3.50	3.25	3.50	4.00
1895.....	4.00	2.75-3.75	3.50	3.25	3.50	4.00
1896.....	4.00	2.75-3.75	3.50	3.25	3.50	4.00
1897.....	4.00	3.75	3.50	3.25-3.50	3.50	4.00
1898.....	4.00	3.75	3.50	3.25-3.50	3.50	4.00
1899.....	4.50	3.75	3.50	3.50	3.75	4.00
1900.....	4.50	3.75	3.50	3.75	4.00	4.50
1901.....	4.50	3.75	3.75	3.75	4.00	5.00
1902.....	5.00	4.25	4.00	4.00	4.00	5.00
1903.....	5.50	4.25	4.00	4.00	4.00	5.00

a Amalgamated reports painters' wages \$4; the Brotherhood, \$3.50 and \$4; Amalgamated reports decorators' wages \$4.50. Decorators received the higher rate throughout the entire period.

*Prevailing daily rates of wages for paving and stonecutting in New York City (Manhattan Borough), 1883 to 1903.*

	Paving.	Freestone.	Granite.	Marble.
1883.....	\$4.00	\$4.50	\$3.50	\$2.50
1884.....	4.00	4.50	3.50	2.50
1885.....	4.00	4.50	3.50	\$2.50-3.00
1886.....	4.00	4.50	3.50	2.50-3.00
1887.....	5.00	4.50	3.50	2.50-3.00
1888.....	5.00	4.50	3.50	2.50-3.00
1889.....	.....	4.50	4.00	3.50
1890.....	.....	4.50	4.00	3.50
1891.....	4.50	4.50	4.00	3.50
1892.....	4.50	4.50	4.00	3.50
1893.....	4.50	4.50	4.00	3.50
1894.....	4.50	4.50	4.00	3.50
1895.....	4.50	4.50	4.00	3.50
1896.....	.....	4.50	4.00	3.50
1897.....	4.50	\$3.50 and 4.50	4.00	4.00
1898.....	4.50	3.50 and 4.50	4.00	4.00
1899.....	4.50	3.50 and 4.50	4.00	4.00
1900.....	4.50	3.50 and 4.50	4.00	4.00
1901.....	4.50	3.50 and 4.50	4.00	4.50
1902.....	4.50	4.00-5.00	4.00	4.50
1903.....	4.50	4.00-5.00	4.50	5.00



## Pennsylvania Labor Reports.

The secretary of internal affairs of the state of Pennsylvania, in his reports for 1901 and 1902 publishes a series of tables showing comparative statistics in 354 identical establishments for the years 1892 to 1901, and 771 identical establishments for the years 1896 to 1902, respectively. The following tables have been compiled from these reports:

*Comparative statistics of 354 identical manufacturing establishments, 1892 to 1901.*

[Compiled from the Twenty-ninth Annual Report of the Bureau of Industrial Statistics, Pennsylvania.]

Year.	Average persons employed.		Aggregate wages paid.		Average yearly earnings.		Value of product.	
	Num-ber.	Per cent of in-crease.	Amount.	Per cent of in-crease.	Amount.	Per cent of in-crease.	Amount.	Per cent of in-crease.
1892....	136,882	.....	\$67,331,876	.....	\$491.90	.....	\$269,452,465	.....
1893....	122,278	a 10.67	56,818,289	a 15.61	464.66	a 5.54	226,017,762	a 16.12
1894....	109,383	a 10.55	45,229,667	a 20.40	413.50	a 11.01	185,626,971	a 17.87
1895....	127,361	16.44	56,704,511	25.37	445.78	7.81	222,730,930	19.99
1896....	118,092	a 7.28	52,102,365	a 8.12	441.29	a 1.01	211,252,732	a 5.15
1897....	121,281	2.70	52,138,941	.07	429.90	a 2.58	222,995,654	5.56
1898....	137,985	13.77	62,676,615	20.21	454.52	5.73	266,044,530	19.30
1899....	154,422	11.91	78,179,333	24.73	506.27	11.38	377,934,411	42.06
1900....	136,814	a 11.40	69,697,485	a 10.85	509.43	.62	418,790,239	10.81
1901....	156,424	14.33	85,219,969	22.27	544.80	6.94	432,994,653	3.39

a Decrease.

*Comparative statistics of 771 identical manufacturing establishments, 1896 to 1902.*

[Compiled from the Thirtieth Annual Report of the Bureau of Industrial Statistics, Pennsylvania.]

Year.	Average persons employed.		Aggregate wages paid.		Average yearly earnings.		Value of product.	
	Num-ber.	Per cent of in-crease.	Amount.	Per cent of in-crease.	Amount.	Per cent of in-crease.	Amount.	Per cent of in-crease.
1896....	129,240	.....	\$49,430,808	.....	\$382.47	.....	\$185,249,628	.....
1897....	134,918	4.4	51,827,646	4.8	384.14	0.4	202,292,309	9.2
1898....	150,990	11.9	60,681,022	17.1	401.89	4.6	237,590,026	17.5
1899....	173,302	14.8	75,797,895	24.9	437.37	8.8	320,743,139	34.9
1900....	184,623	6.5	81,029,889	6.9	439.97	0.6	351,376,655	9.5
1901....	191,153	3.5	86,103,628	6.3	450.44	2.4	366,722,365	4.4
1902....	203,927	6.7	98,432,570	14.8	482.68	7.2	421,141,115	14.8

Other state labor bureaus have published statistics showing similar results, but only those have been reproduced which are comparable one year with another, that is, statistics for identical establishments.

WAGES IN HAWAII BEFORE AND AFTER ANNEXATION.

That the influence of American annexation is felt in our dependencies may well be seen in the following table of wages paid on the plantations of Hawaii each year from 1890 to 1902:

*Average daily wages of various classes of plantation labor, 1890 to 1902.*

[From Bulletin of the United States Bureau of Labor, July, 1903.]

Occupation.	1890.	1892.	1894.	1896.	1897.	1898.	1899.	1900.	1901.	1902.
Unskilled (male).....	\$0.65	\$0.60	\$0.55	\$0.53	\$0.52	\$0.52	\$0.58	\$0.64	\$0.76	\$0.71
Unskilled (female).....	.39	.39	.38	.35	.32	.32	.37	.39	.44	.45
Field labor and superin- tendence (a).....	.80	.69	.65	.62	.60	.60	.63	.72	.88	.74
Mechanics.....	3.04	3.21	3.16	3.28	3.29	3.24	3.07	3.74	3.69	3.80

a One plantation only.

The annexation of Hawaii took place in 1898. During the period from 1890 to 1898 the wages of unskilled male laborers declined steadily from \$0.65 to \$0.52 per day, while from 1899 to 1902 they increased from \$0.58 to \$0.71 per day; the daily wages of unskilled female laborers declined from \$0.39 in 1890 to \$0.32 in 1898, and increased steadily after annexation to \$0.45 per day. While the daily wages of skilled mechanics fluctuated considerably from year to year before annexation, they increased almost steadily from \$3.07 in 1899 to \$3.80 in 1902.

#### RAILWAY LABOR DURING REPUBLICAN AND DEMOCRATIC ADMINISTRATIONS.

There is no better index to the industrial condition of a country than the amount of business done by the railways, and, as the railways in this country employ over one million persons, the increase or decrease in traffic materially affects a large proportion of the population.

During the fiscal year ending June 30, 1896 (Cleveland's administration), there were 826,620 railway employees in the United States receiving a total yearly compensation of \$468,824,531. In 1903 there were 1,312,537 railway employees, about 97 per cent of whom received \$757,321,415. This shows an increase in 7 years of 485,917 railway employees and of about three hundred million dollars in aggregate salaries and wages. In other words, 58.8 per cent more persons were employed by the railways in the United States on June 30, 1903, than on June 30, 1896, when the Democratic party was in power, and nearly two-thirds more were paid in wages and salaries. The following table shows the number of railway employees and the total salaries and wages paid in each class in 1896 and 1903:

*Number and total wages and salaries of railway employees in the United States during the fiscal years ending June 30, 1896, and June 30, 1903.*

[Compiled from Report on Statistics of Railways, Interstate Commerce Commission.]

Occupation group.	Railway employees on June 30—		Compensation of railway employees for the year ending June 30—	
	1896.	1903.	1896.	1903 a.
General officers.....	5,372	4,842	\$12,497,957	\$13,244,121
Other officers.....	2,718	5,201	5,301,119	10,010,099
General office clerks.....	26,328	42,218	19,037,816	30,486,272
Station agents.....	29,723	34,892	17,059,117	21,011,724
Other station men.....	75,919	120,724	39,076,478	60,463,462
Enginemen.....	35,851	52,993	41,354,307	64,173,825
Firemen.....	36,762	56,041	23,724,854	37,484,283
Conductors.....	25,457	39,741	24,758,485	39,932,537
Other trainmen.....	64,806	104,885	38,379,035	66,221,636
Machinists.....	29,272	44,819	19,312,746	33,414,954
Carpenters.....	38,846	56,407	22,948,585	35,526,545
Other shopmen.....	95,613	154,635	48,497,887	84,133,168
Station foremen.....	30,372	37,101	17,097,832	21,430,984
Other trackmen.....	169,664	300,714	54,521,113	103,426,685
Switch tenders, crossing tenders and crossing watchmen.....	44,266	49,961	24,950,907	27,162,555
Telegraph operators and dispatchers.....	21,682	30,984	13,695,587	19,962,487
Employees—Account floating equipment.....	5,502	7,949	3,221,290	5,032,788
All other employees and laborers.....	88,467	168,430	43,398,416	84,203,290
Total.....	826,620	1,312,537	468,824,531	757,321,415

a The figures showing total wages and salaries are for 97 per cent. of the employees only. The exact figures for the total number of employees had not been computed at the time when this book was published. On the basis of the figures given, the approximate total compensation for the year ending June 30, 1903, was about \$780,000,000.

#### LABOR LAWS.

##### LABOR LEGISLATION IN REPUBLICAN AND DEMOCRATIC STATES.

There is no better way of judging the merits of a political party

than by the laws which are passed by the legislators who are elected to office from its ranks. With regard to legislation for the protection of the workers much remains to be done before they receive their full measure of protection and justice, but as can be shown by the statistics of the different states, nearly all protective labor legislation in the United States was first enacted by Republican states, and then adopted by way of imitation by the Democratic states. At the present time, that is, up to the close of 1903, the proportion of Republican states having protective labor legislation is much greater than that of Democratic states. This is plainly shown in the table on the following page.

The following table shows the number and per cent. of Republican and Democratic states which have enacted the legislation as shown on the preceding chart:

Legislation in force January 1, 1904	Republican States.		Democratic States.	
	Number.	Per cent.	Number.	Per cent.
Creating labor bureaus.....	25	86	8	50
Creating factory inspection services.....	29	76	5	31
Providing for free employment bureaus.....	11	38	2	12½
Providing for boards of conciliation and arbitration.....	16	55	5	31
Establishing an eight-hour day for labor on public works.....	14	48	3	19
Prohibiting employment of children under 12 years of age in factories.....	19	66	9	56
Limiting hours of labor of children	19	66	8	50
Restricting employment of children of school age and of illiterate children.....	22	76	6	37½
Prohibiting employment of children in bar-rooms.....	9	31	4	25
Prohibiting employment of children in operating or cleaning dangerous machinery.....	11	38	2	12½
Regulating woman labor.....	27	93	11	69
Requiring seats for females in shops and stores.....	22	76	9	56
Regulating sweatshops.....	10	34	2	12½
Requiring wages to be paid weekly, fortnightly or monthly.....	15	52	6	37½
Protecting members of labor organizations.....	13	62	2	12½
Protecting the union label.....	27	93	11	69

An examination of these tables presents an interesting lesson in practical politics. We shall take up in rotation each of the more important subjects of labor legislation, and see which states have done the most for the workingman.

*Labor Bureaus.*—There are few agencies which have done more toward giving a clear insight into the problems of labor and capital, that have brought employer and employee nearer together, or that have furnished the laboring people with facts for arguments in favor of protective legislation, than bureaus of labor and labor statistics. The above tables show that at present there are 33 state labor bureaus in the United States. Of these, 25 are in Republican states and 8 are in Democratic states. Reducing these figures to a proportionate basis, we find that 25 out of 29 Republican states, or 86 per cent., have labor bureaus; 8 out of 16 Democratic states, or 50 per cent., have labor bureaus.

*Factory Inspection Service.*—It is well known to all working people that protective labor laws are practically a dead letter in any state unless there is a factory inspection service organized for the purpose of searching out and bringing to justice persons who violate such laws. It is easy enough to enact protective legislation, but it is another thing to enforce it. If a state, therefore, enacts such laws and fails to organize a service for their enforcement, it is deceiving those whom it pretends to favor. Let us again observe the tables. We find that 22 out of 29 Republican states, or 76 per cent., have laws creating factory inspection services. We also find that 5 out of 16 Democratic states, or 31 per cent., have factory inspection services. *In examining the other*



*Labor legislation in Republican and Democratic states.*

[States having Republican legislatures at the present time are regarded as Republican states. Those having Democratic or Fusion legislatures are regarded as Democratic states. The ciphers show the states which have enacted the legislation indicated on the left of the table.]

Legislation in force January 1, 1904	29 Republican States.																													16 Democratic States.																			
	California	Connecticut	Delaware	Idaho	Illinois	Indiana	Iowa	Kansas	Maine	Mass.	Michigan	Minnesota	Montana	Nebraska	N. Hampshire	New Jersey	New York	N. Dakota	Ohio	Oregon	Penn.	Rhode Isl'd	S. Dakota	Utah	Vermont	Washington	W. Virginia	Wisconsin	Wyoming	Alabama	Arkansas	Colorado	Florida	Georgia	Kentucky	Louisiana	Maryland	Mississippi	Missouri	Nevada	N. Carolina	S. Carolina	Tennessee	Texas	Virginia				
Creating labor bureaus.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Creating factory inspection services.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Providing for free employment bureaus.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Providing for boards of conciliation and arbitration.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Establishing a compulsory 8 hour day for labor on public works. (a).....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prohibiting employment of children under 12 years of age in factories.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Limiting hours of labor of children.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricting of employment of children of school age and of illiterate children.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prohibiting employment of children in bar-rooms.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prohibiting employment of children in operating or cleaning dangerous machinery.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Regulating woman labor.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Requiring seats for females in shops or mercantile establishments.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Regulating sweatshops.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Requiring wages to be paid weekly, fortnightly, or monthly.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Protecting members of labor organizations.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Protecting the union label.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

a In addition to the states indicated, five Republican states, namely, Connecticut, Illinois, Montana, Ohio, and Wisconsin, and one Democratic state, Missouri, have laws declaring eight hours a legal working day in the absence of a contract.

Note.—States having an age limit but permitting children under 12 years of age to labor in factories for any reason whatever, are not included.

*subjects of labor legislation which follow we must not lose sight of the fact that only 5 of the Democratic states have made provision for factory inspection services for the purpose of carrying out the provisions of the labor laws which will be under consideration.*

*Free Employment Bureaus.*—The movement to establish free public employment bureaus, where working people in search of work and employers desiring help might be brought together without expense to either, was started in Ohio by the passage of a law requiring the labor bureau of that state to establish agencies in the leading cities. Other states followed Ohio's example, until at present laws providing for such agencies have been enacted in 13 states. Of these 11 are Republican and 2 are Democratic.

*Boards of Arbitration and Conciliation.*—Twenty-one states have enacted laws providing for either state or local boards of conciliation and arbitration. Of these 16 are Republican and 5 are Democratic states.

*Eight-hour Law.*—For many years labor organizations have been endeavoring to secure legislation prohibiting labor on government works or public contracts for over eight hours per day. At the present time 17 of the 45 states have such laws on their statute books. Of these 14 are Republican and 3 are Democratic. In addition to these, 5 Republican states and 1 Democratic state have laws declaring eight hours to be a legal working day in the absence of a contract.

*Child Labor.*—Ever since the introduction of the factory system, over a century ago, the greatest sufferers from the greed of inconsiderate and cruel employers have been the helpless children, who often at a tender age are placed in factories. It is a principle recognized in all civilized countries that children under 12 years of age should not be employed in factories, and nearly all civilized countries have laws placing a minimum age limit of 12 or 14 years upon such child labor. In our country 28 states absolutely prohibit the employment of children under 12 years of age in factories. Of these, 19 are Republican and 9 are Democratic states. Three of the latter, however, did not enact such laws until last year. Of these 19 Republican states, 17 have factory inspection services to see that the laws are enforced, while only 4 of these 9 Democratic states make provision for such inspection.

Many states have enacted laws placing certain restrictions upon the employment of children, usually under 16 years of age, and in some cases even upon the employment of all minors. Of this class are laws limiting the hours of labor of children in factories or stores, which have been enacted in 27 states. Of these 19 are Republican and 8 are Democratic states.

Twenty-eight states have placed restrictions upon the employment of children of school age or of illiterate children, of which 22 are Republican and 6 are Democratic.

Thirteen states prohibit the employment of children or minors in places where intoxicants are sold or handled. Of these 9 are Republican and 4 are Democratic.

Thirteen states prohibit the employment of children in operating dangerous machinery or cleaning machinery in motion. Of these 11 are Republican and 2 are Democratic states.

*Woman Labor.*—Next to the children the greatest victims of abuse by greedy employers when unrestrained by law are women. Investigations have shown that their condition is sometimes pitiful where employers are given free scope in their employment. Their protection, in the interests of humanity and morals, has also been the subject of legislation in nearly all civilized countries. In the United States 38 states have legislated upon this subject. Of these 38 states, 27 are Republican and 11 are Democratic. Again it is interesting to notice that of the 27 Republican states regulating woman labor 21 provide for factory inspection, while of the 11 Democratic states mentioned, only 4 make such provision.

*Seats for Females in Shops.*—Legislation on this subject needs no comment. Any man who has a daughter or sister employed in shop or store, and every physician, knows what a hardship it is to a woman to be compelled to stand all day at a bench or behind counter. Fortunately in 31 states legislation has been enacted requiring employers to provide seats for females. Of these 31 states, 22 are Republican and 9 are Democratic.

**Sweatshop Legislation.**—There is no greater menace to the health of the working people, and nothing which tends more to lower and degrade human beings, than to crowd them together in small, filthy workshops, where they are often compelled to work, eat and sleep without regard to health or morals, and where the hours of labor are often so long that the victims, who are usually foreigners unacquainted with our language, are shut out from all opportunities for education or betterment of any kind. The scenes observed in these shops by official investigators have been revolting beyond description. Long ago efforts have been made to regulate these so-called "sweatshops," and 12 states have enacted laws looking to this end. Of these 12 states 10 are Republican and 2 are Democratic. Nothing more need be said on this point.

**Wage Payments.**—In order to insure the prompt payment of workingmen's wages in cash when due, 21 states have enacted laws requiring employers to pay wages weekly or fortnightly, and in some instances prohibiting a longer interval than one month between pay-days. Of these states 15 are Republican and 6 are Democratic.

**Protection of Members of Labor Organizations.**—Fifteen states have enacted laws, that are now in force, prohibiting employers from discharging persons on account of membership in labor organizations, or from compelling persons to agree not to become members of labor organizations as a condition of securing employment or continuing in their employ. Of these 13 are Republican and 2 are Democratic states.

**Protection of the Union Label.**—Thirty-eight states have adopted laws allowing trade unions to adopt labels or trade-marks to be used to designate the products of the labor of their members, and prohibiting the counterfeiting or the use of such labels or trade-marks by unauthorized persons. Of these states 27 are Republican and 11 are Democratic.

*Earnings of railway employees in the United States, 1902.*

[From the Fifteenth Annual Report on the Statistics of Railways by the Interstate Commerce Commission.]

Occupation.	Number.	Total earnings.	Average earnings.
General officers.....	\$4,816	\$13,090,284	\$2,718.08
Other officers.....	5,039	9,491,146	1,883.54
General office clerks.....	37,570	26,853,600	714.76
Station agents.....	33,478	20,172,608	602.56
Other station men.....	105,433	53,709,985	509.42
Enginemen.....	48,318	58,135,447	1,203.18
Firemen.....	50,651	33,780,709	666.93
Conductors.....	35,070	35,211,477	1,004.03
Other train men.....	91,383	56,335,462	616.48
Machinists.....	39,145	28,412,840	(a) 2.36
Carpenters.....	51,698	31,925,126	(a) 2.08
Other shopmen.....	136,579	73,269,159	(a) 1.78
Section foremen.....	35,700	20,356,376	(a) 1.72
Other trackmen.....	281,075	89,536,409	(a) 1.25
Switch tenders, crossing tenders and watchmen.....	50,489	28,669,990	(a) 1.77
Telegraph operators, despatchers employees, account floating equipment.....	28,244	18,281,069	(a) 2.01
	7,426	4,363,822	(a) 2.00
All other employees and laborers..	147,201	74,433,083	(a) 1.71

(a) Rate per day.

**The State is potent. Corporations and combinations which derive their breath from the State are within its absolute and perpetual control.**—Hon. C. W. Fairbanks, at St. Paul, Minn., August 31, 1903.

It remains true now as it always has been, that in the last resort the country districts are those in which we are surest to find the old American spirit, the old American habits of thought and ways of living. Conditions have changed in the country far less than they have changed in the cities, and in consequence there has been little breaking away from the methods of life which have produced the great majority of the leaders of the Republic in the past.—President Roosevelt at Bangor, Me., Aug. 27, 1902.



## THE ADVANCE IN PRICES.

It is doubtless true that there has been an advance in prices of certain manufactures and food stuffs in the United States since 1896, though the recent reports of the Labor Bureau show that this advance has not been as great as the advance in wages. This subject of the relative advance in prices and wages is discussed under the heading of Labor, Wages, and Prices, page 203. Great effort has been made by the Democratic fault finders to make it appear that the increase in prices has been brought about by the trusts and great combinations of this character.

The principal causes of this advance in prices may be enumerated as follows: 1. Great increase in demand at home, due to increased earnings and business activity. 2. Increase in cost of labor to those engaged in the production of the articles in question; and, 3, increase in cost of materials used in manufacturing.

That the increase in the earnings and business activity, and therefore the purchasing power of the people of the United States is very great and that such increase in all cases affects prices is too well known to require discussion. A contrast of conditions to-day with those of 1895 and 1896 and the demand for products of the farm or factory and the increased earnings with which to purchase such products is of itself an explanation of the advance in prices which would naturally follow. In all lines of business the demand has been fully equal to and in many cases has exceeded the supply, as is proven by the enormous increase in importation of many articles for which consumers were accustomed to rely upon the home market.

In iron and steel, for example, the demand of 1902 and 1903 was so far beyond the capacity of the home manufacturers to supply that the importation of iron and steel in their various forms increased from 17 million dollars in 1901 to 51½ millions in 1903. As a consequence of this excessive demand, steel billets, which may be accepted as a representative article in iron and steel, advanced from \$16.75 per ton on January 1, 1899, to \$35 per ton on January 1, 1900, and stood at \$29 per ton on January 1, 1902, \$37 per ton in the middle of that year, and at \$31 on January 1, 1903. By the middle of the year 1903 the excessive demand upon the home market began to grow less, and in July the price fell to \$29; in November, to \$23, and has stood continuously at \$23 per ton from November, 1903, down to May, 1904.

### DUTIES ON IRON AND STEEL NOT PROHIBITIVE.

This combination of circumstances with reference to prices of iron and steel is especially interesting in view of its relation to various assertions made by the Democrats regarding the relation of trusts and tariffs to prices. It has been asserted over and over again that the rates of duty on iron and steel are prohibitive as to imports, and that, therefore, it is in the power of the manufacturers to maintain such prices as they may choose in the home market. It will be observed, however, that imports responded immediately to the advance in prices. As above indicated, prices of steel billets, a representative article, which had been \$16 per ton in 1898, began to advance in the early part of 1899. This did not occur sufficiently early in the year, however, to affect the importations of the fiscal year 1899, which ended June 30 of that year: the value of iron and steel imported in the year ending June 30, 1899, being 12 million dollars. The continuous high prices of 1899 and 1900, however, had their effect in increasing the importations in the fiscal year 1900 to 20 million dollars. By July of 1900 prices again fell somewhat and ranged from \$29 per ton in July of that year to \$20.75 in January, February, and March, 1901; and, as a consequence, imports of iron and steel fell to a little less than 18 million dollars in 1901. In the autumn of 1901 and the early part of 1902 home prices again advanced, reaching \$37 per ton by the middle of 1902, and imports increased to 27 million dollars in the year ending June 30, 1902. Prices remained high in the home market during the remainder of 1902 and the early part of 1903, and as a consequence the imports during the

year ending June 30, 1903, were 51 million dollars, or a greater value than for 20 years with the single exception of 1891, which was about the same figure as that for 1903. In the latter part of 1903 and the early part of 1904, however, as already indicated, prices fell in the home market, and as a consequence the importations in the first half of 1904 fell from 38½ millions to 21 millions. This great increase in the imports of iron and steel in response to the unusual demands of the home market and consequent high prices is of itself a sufficient refutation of the assertion that the rates of duty on iron and steel are prohibitive, and that the prices in the home market can be fixed by home producers without reference to competition from abroad.

Another important fact with reference to the movements of prices of iron and steel in the past few months is that they completely refute the assertion that it is in the power of the manufacturers to maintain high prices. The fact that this representative class of steel production—steel billets—is shown by the reports of the Bureau of Statistics to have fallen from \$37 per ton in July, 1902, to \$23 per ton by November, 1903, a reduction of about one-third, and remained stationary at that low figure since that time, refutes the assertion that prices can be fixed and maintained by the manufacturers. If the steel trust or any combination of manufacturers were able to fix and maintain prices it would be scarcely possible that they would permit a reduction of 40 per cent in prices of their products within a period of fifteen months and permit prices to remain at this comparatively low figure down to the present time.

#### LABOR AND RAW MATERIAL MUCH HIGHER.

As to wages, labor, as is well known, forms a very large proportion of the value of the manufactured article. In many cases it forms three-fourths of the total cost of the finished article, but as a whole it may be fairly set down as forming at least one-half of the value of the manufactures of the country. That the cost of labor has very greatly increased is too well known to require argument. As shown elsewhere, the reports of the Labor Bureau show a marked increase in wages of all occupation, especially as compared with the period from 1893 to 1896. The reports of Frederick W. Job, Secretary of the Employers' Association of Chicago, show that wages in many lines of occupation have increased from 20 per cent. to 50 per cent. since 1895, and when it is taken into consideration that from one-half to three-fourths of the value of the manufactured article consists of labor, in which such increases have been made in wages, this fact accounts for a large part of the increased cost of the article.

As to raw material. That prices of raw material have increased very greatly is indicated by tables taken from the official reports of the Bureau of Statistics and printed on page . . . ., showing the import prices of articles required in manufacturing. They show, for example, that raw cotton, which was imported in 1897 at 11.2 cents per pound, averaged in 1903 18.9 cents; hemp, which averaged \$126 per ton in 1897, was in 1903 \$150 per ton; flax increased from \$219 per ton in 1897 to \$258 in 1903; manila hemp from \$79 per ton in 1897 to \$200 in 1903; sisal grass, for use in manufacturing rope, twine, etc., from \$60 per ton in 1897 to an average of \$156 in 1903; jute, from \$30 per ton in 1897 to \$48 in 1903; raw silk from 2.97 cents per pound in 1897 to 3.45 cents in 1903. India rubber, the import price of which averaged 50 cents per pound in 1897, was 69½ cents in 1903. Pig tin, for use in manufacturing tin plates, which averaged 12.8 cents per pound in 1897, import price, averaged in 1903 27.3 cents. It will be seen from these few examples that prices of raw material imported increased from 25 per cent. to, in some cases, 150 per cent.

A table on page 244 shows in detail the increase in import prices of articles used in manufacturing and will repay careful study in a consideration of this subject.

#### ADVANCES IN RAW MATERIALS.

The above discussion relates to prices of imported raw materials, and it certainly can not be charged that these advances are due to control by tariff-protected trusts, so called, since the



articles in question come from so many parts of the world and in a large proportion of cases from countries in which tariff rates are extremely low, such as silk from China and Japan; fibers and india rubber and cotton from tropical countries; sugar chiefly from the Tropics; and wool from Argentina, Australia, and Southern Asia and Europe. Nor can this advance be charged to our tariff, *since most of these articles are on the free list.*

A similar advance in prices occurs in a large proportion of the raw materials produced in the United States and used in manufacturing. The price of raw cotton, for example, in 1898 averaged 5.95 cents per pound, and in 1903 11.18 cents, having practically doubled during that time. These figures are supplied to the Bureau of Statistics by Mr. Alfred B. Shepperson, a well-known expert in matters of this character. Prices of wool, as reported to the Bureau of Statistics by Mauger & Avery, a well known and reliable firm of New York, were, for October, 1896, 18 cents per pound, and in 1903, 32 cents for "fine" grades; for the "medium" grade 19 cents per pound in 1896, and in 1903 31½ cents; for that graded as "coarse," 18 cents per pound in 1896, and 28 cents in 1903. Of iron ore, the price as supplied by Mr. A. I. Findley, editor of the Iron Trade Review, Cleveland, was, in 1897, \$2.65 per ton, and in 1903 \$4.50 per ton. The Bureau of Statistics quotes the price of Lake copper on January 7, 1898, at \$10.90 per ton, and in April, 1903, at \$15. Crude petroleum is quoted in September, 1898, at \$1 per barrel, and in December, 1903, at \$1.90. Bessemer pig iron, while the first stage of manufacture, is nevertheless a manufacturer's material, and is quoted by the Bureau of Statistics at \$10.50 per ton in the closing months of 1898, \$25 per ton in the closing months of 1899, and \$23 per ton in the opening months of 1903.

#### Prices Have Also Advanced Abroad.

While it is true that the United States has witnessed a marked advance in prices of many articles since the low tariff period in which lack of earnings of the people so reduced their purchasing power that values fell to their very lowest level, it is also true that great advances have also occurred in other countries. Prof. Sauerbeck's tables, showing the course of prices of 45 commodities during the last 25 years, published by the British Statistical Society, present figures showing the prices of many leading articles in London during past years and furnish an illustration of the fact that the advance in prices has not been confined to the United States. These figures show, for example, that Scotch pig iron, which was quoted in London at 42s., 8d. per ton in 1894, was 69s., 4d. per ton in 1900. Iron bars show an increase from 4½ pounds sterling per ton in 1894 to 9 pounds sterling per ton in 1900; Straits tin, from 68 pounds sterling per ton in 1894 to 134 pounds sterling in 1900; pig lead, from 9½ pounds sterling in 1894 to 17¼ pounds sterling in 1900; manila hemp, from 22 pounds sterling per ton in 1894 to 39 pounds sterling in 1900; merino wool, from 11¼ pence per pound in 1894 to 15¼ pence in 1900; linseed, from 20¼ pounds sterling per ton in 1894 to 30½ pounds in 1900; and linseed oil, from 38 shillings per quarter in 1894 to 54 shillings in 1900. Beef shows an advance in the class designated as "prime" from 47 pence per 8 pounds in 1894 to 51 pence in 1900; in the class designated as "middle" from 37 pence per 8 pounds in 1894 to 42 pence in 1900; prime mutton, from 55 pence per 8 pounds in 1894 to 59 pence in 1900; butter, from 98 shillings per cwt. in 1894 to 102 shillings in 1900; dry hides, from 5½ pence per pound in 1894 to 8½ pence in 1900.

Attention is again called, before leaving this subject, to the fact that while an advance has occurred in prices of certain manufactures and foodstuffs by reason of increased cost of raw material and labor, the advance in wages has more than kept pace with these increases. This is fully and clearly shown from the reports of the Labor Bureau of the United States Government, in the article on Labor, Wages, and Prices.

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**This is not and never shall be a government of a plutocracy; it is not and never shall be a government by a mob.—President Roosevelt at Butte, Mont., May 27, 1903.**



**Increase in Prices of Imported Material Used in Manufacturing.**

This table shows the import price of the chief articles used in manufacturing in the United States. It will be seen that they have largely increased in price, although they usually come from low tariff countries and therefore are not controlled by "tariff-made trusts." This increase in price of raw materials is one of the causes of the increase in price of finished goods manufactured from them, though in most cases it is found that the manufactured article has not increased in price as rapidly as the raw material entering it. (This subject of the causes of the increase in price of manufactures is discussed elsewhere; see index.)

*Import prices.*

[Represents prices in foreign countries.]

Articles.	March—				
	1897.	1898.	1899.	1900.	1904.
Chemicals, drugs, etc.:					
Bark, cinchona, etc. .... per pound..	\$0.043	\$0.096	\$0.122	\$0.193	\$0.152
Gums: Camphor, crude. .... do .....	.139	.171	.203	.294	.342
Potash, nitrate of. .... do .....	.020	.022	.025	.027	.027
Quinia, sulphate of, etc. .... per ounce..	.152	.236	.249	.328	.232
Sumac, ground. .... per pound..	.015	.016	.015	.023	.015
Cotton, raw .....	.112	.092	.104	.136	.189
Manufactures of: Cloth, not bleached, per square yard. ....	.089	.076	.081	.094	.112
Fertilizers: Phosphates, crude. .... per ton..		2.98	5.08	5.08	6.21
Fibers, vegetable, etc.:					
Flax. .... do .....	219.54	295.66	229.53	296.18	258.76
Hemp. .... do .....	126.00	138.41	121.50	133.65	150.42
Istle or tampico fiber. .... do .....		49.71	64.85	70.91	95.00
Jute. .... do .....	29.82	24.98	32.49	33.59	48.37
Manila. .... do .....	79.74	60.64	120.10	135.84	200.72
Sisal grass. .... do .....	59.85	84.47	130.33	166.23	155.91
Manufactures of: *					
Cables, cordage, etc. .... per pound..	.189	.295	.395	.817	.606
Hides and skins, other than fur skins:					
Goatskins. .... per pound..	.220	.231	.266	.272	.273
All other, except hides of cattle. .... do .....	.108	.152	.143	.174	.133
Hides of cattle. .... do .....		.117	.101	.130	.110
India rubber. .... do .....	.504	.586	.663	.660	.695
Iron and steel and manufactures of:					
Pig iron. .... per ton..	22.90	25.80	31.87	36.21	17.47
Tin plates, terneplates, etc. .... per pound..	.023	.022	.024	.035	.027
Wire, and articles made from. .... do .....	.051	.075	.071	.091	.070
Silk, raw. .... do .....	2.97	3.26	3.43	4.63	3.45
Sugar: Not above No. 16—					
Beet. .... do .....	.017		.021	.021	.0145
Cane and other. .... do .....	.020	.022	.025	.027	.0191
Above No. 16. .... do .....	.024	.024	.028	.027	.031
Tin in bars, blocks, pigs, etc. .... do .....	.128	.135	.192	.254	.273
Wood: Boards, planks, etc. .... per M feet..	10.27	9.99	9.80	12.04	.1559
Wool: Class 1—clothing. .... per pound..	.171	.169	.171	.239	.188
Class 2—combing. .... do .....	.200	.234	.314	.212	.206
Class 3—carpet. .... do .....	.111	.093	.096	.097	.114
Manufactures of: Cloths. .... do .....	.567	.869	1.02	1.22	1.01
Zinc or spelter: in blocks, pigs and old. .... do	.033	.039	.049	.053	.052

\*Includes thread and twine.

**Movement Toward the Towns and Cities Advances Prices of Farm Products.**

Another fact must be borne in mind in seeking for causes for the advance in prices, and that is the fact that the percentage of the total population of the country which is engaged in agriculture is steadily growing less and the share congregating in cities and towns and demanding food from the agricultural sections is steadily growing greater. In 1880 the census showed 44.7 per cent of those engaged in gainful occupations in the United States were employed in agricultural pursuits. In 1900 only 35.7 per cent of those engaged in gainful occupations were employed in agriculture. As a consequence the nonproducers of agricultural products who were, however, still dependent upon the farmers for their food, had increased from 45.7 per cent in 1880 to 64.3 per cent in 1900, of those engaged in gainful occupations.

## ANNUAL AVERAGE OF WHOLESALE PRICES IN THE YEARS 1880, 1900, AND 1903.

The table which follows shows the annual average of prices of articles of common use in 1880, 1890, 1900, and 1903. It is presented for the purpose of illustrating the fact that, despite all the complaints with reference to prices at the present time, they are, in manufactures and in many other articles in the prices of which transportation forms an important factor, much lower at the present time than in 1880 or 1890. While it is doubtless a fact that prices of certain articles are higher at the present time than in the depressed period of 1893-96, when labor was unemployed and consequently purchasers were few and money scarce, it is also a fact that a study of price conditions month by month and year by year from 1880 to the present time, shows a steady reduction, under normal conditions, and that in nearly all articles of importance prices to-day are below those of 1880 or 1890. In certain natural products, however, such as timber and the lumber produced therefrom, meats, and grains, the increased home demand through the growth of population, and in the case of timber, the reduced area of supply, and the movement of population from the producing area to the manufacturing centers, tend to maintain and in some cases increase prices. In practically all manufactured articles, however, a reduction is shown, except in those cases in which they are produced from natural products whose area of production is being reduced at least in proportion to the number of domestic consumers. Population in the United States has increased 60 per cent. since 1880, while the area capable of producing meats and grain has not increased meantime, and the area of available timber has been greatly reduced. These facts account for the upward tendency of provisions, meats, and lumber, while the multiplication of manufacturing establishments and the improvement in their methods have during the same time decreased prices of manufactures, except those in which the raw material has so greatly advanced in price.

The figures presented in this table are the annual average wholesale price of each article in each year named. They are based, for the earlier years, upon the Aldrich tables, and in the later years upon the quotations of the Labor Bureau of the Department of Commerce and Labor, and the annual averages are the result of the combination of a large number of quotations made at various periods during the years in question.

### *Annual average of wholesale prices during calendar years.*

Articles.	1880.	1890.	1900.	1903.
<b>Food, etc.:</b>	Dollars.	Dollars.	Dollars.	Dollars.
Butter, Elgin creamery.....lb...	.2925	.2276	.2245	.2348
Coffee, Rio, fair and No. 7.....lb...	.1513	.1793	.0822	.0559
Flour, wheat.....bbl...	8.9000	5.1856	3.8423	4.3303
Flour, rye.....bbl...	4.9880	3.3646	3.4250	3.1479
<b>Fruit:</b>				
Apples, evaporated.....lb...	.1433	.1136	.0615	.0611
Currants.....lb...	.0593	.0478	.0720	.0476
Raisins, California, London layers....box...	2.2875	2.3604	1.5208	1.4458
Lard, prime.....lb...	.0750	.0633	.0690	.0877
<b>Meat:</b>				
Beef, fresh, native sides.....lb...		.0688	.0804	.0784
Salt, extra mess.....bbl...		6.9596	9.7538	9.0673
Ham.....lb...	.0991	.0995	.1025	.1271
Pork, salt mess.....bbl...	13.3100	12.1502	12.5072	16.6514
Bacon.....lb...		.0603	.0752	.0959
Molasses, New Orleans, prime.....gal...	.5500	.3542	.4775	.3546
Rice.....lb...	.0725	.0605	.0548	.0566
Salt.....bbl...	.7500	.7921	1.0010	.6140
<b>Spices:</b>				
Nutmegs.....lb...	.8850	.6317	.2601	.2877
Pepper.....lb...	.1417	.1151	.1291	.1289
Starch, pure.....lb...	.0613	.0546	.0500	.0507
<b>Sugar:</b>				
96° centrifugal.....lb...	.0876	.0546	.04572	.03720
Refined, granulated.....lb...	.0988	.06168	.05332	.04641
Tallow.....lb...	.0672	.0460	.0485	.0510
<b>Farm products:</b>				
Wheat, cash.....bush...				
Wheat, No. 2, red winter.....bush...		.983	.804	.853
Wheat, contract grades, cash.....bush...		.8933	.7040	.7895

Articles.	1880.	1890.	1900.	1903.
	Dollars.	Dollars.	Dollars.	Dollars.
Corn, No. 2, cash.....bush.....	3.950	3.811	4.606	
Oats, cash.....bush.....	3.106	2.271	3.541	
Rye, No. 2, cash.....bush.....	5.447	5.177	5.156	
Barley, by sample.....bush.....	5.062	4.815	5.494	
Flaxseed, No. 1.....bush.....	1.3967	1.6223	1.0471	
Cattle:				
Steers, choice to extra.....100 lbs.....	4.8697	5.7827	5.5678	
Steers, good to choice.....100 lbs.....	4.1375	5.3938	5.0615	
Hogs:				
Heavy.....100 lbs.....	3.9534	5.0815	6.0572	
Light.....100 lbs.....	3.9260	5.1135	6.0541	
Sheep:				
Native.....100 lbs.....	4.5284	4.1236	3.7101	
Western.....100 lbs.....	4.6644	4.5207	3.8769	
Hides, green, salted, packers' heavy				
native steers.....lb.....	.0933	.1194	.1169	
Hay, timothy, No. 1.....ton.....	9.9952	11.5673	12.4279	
Hops, New York State, choice.....lb.....	.2621	.1483	.2825	
Cotton, upland, middling.....lb.....	.12267	.11089	.09609	.11235
Wool:				
Ohio medium fleece, scoured.....lb.....	.8375	.6143	.5296	.4658
Ohio fine fleece, scoured.....lb.....	1.0275	.7156	.6594	.6546
Cloths and clothing:				
Bags, 2-bushel, Amoskeag.....each.....	.931	.1594	.1575	.1458
Boots and shoes:				
Men's brogans.....pair.....	1.3000	1.0500	.9375	.9250
Men's split boots.....doz. pairs.....	21.500	17.000	18.000	18.500
Women's solid grain shoes.....pair.....	.0500	.8500	.9042	88.75
Calico, Cocheco prints.....yd.....	.0762	.0650	.0525	.0504
Carpets:				
Ingrain 2-ply, Lowell.....yd.....	.8767	.5160	.4920	.5136
Wilton, five-frame Bigelow.....yd.....	2.6750	1.9200	1.8720	2.0080
Cotton thread, 6-cord, 200 yards, J. & P. Coats.....spool.....	.041250	.0315	.0372	.0372
Denims, Amoskeag.....yd.....	.1469	.1175	.1073	.1127
Drillings, Stark A.....yd.....	.0806	.0640	.0542	.0581
Ginghams, Amoskeag.....yd.....	.0881	.0625	.0515	.0550
Print cloths, 28-inch, 64 by 64.....yd.....	.0431	.0334	.0308	.0321
Shirtings, bleached, 4-4, Fruit of loom.....yd.....	.1621	.0845	.0753	.0767
Shirtings, bleached, 4-4, Lonsdale.....yd.....	.0950	.0845	.0731	.0755
Tickings, Amoskeag, A. C. A.....yd.....	.1588	.1200	.1084	.1104
Women's dress goods:				
Cotton warp alpaca, 22 in. Hamilton.....yd.....	.1067	.0735	.0711	.0690
Cotton warp cashmere, 22 in. Hamilton.....yd.....	.1142	.0833	.0760	.0741
Cotton warp cashmere, 27 in. Hamilton.....yd.....	.1450	.0980	.0882	.0894
Fuel and lighting:				
Coal, anthracite stove.....ton.....	3.9625	3.7108	3.9451	4.8245
Bituminous.....ton.....	5.1125	2.9875	2.9083	4.4375
Metals and implements:				
Nails, cut.....100 lbs.....		2.2875	2.2500	2.1958
Wire.....100 lbs.....		2.9646	2.6333	2.0750
Barbed wire, galvanized.....100 lbs.....		3.5665	3.3942	2.7375
Pig iron, No. 1, foundry.....ton.....	28.500	18.4083	19.9800	19.9158
Steel rails.....ton.....	67.5000	31.7792	32.2875	28.0000
Bar iron, best refined.....lb.....	.0260	.0184	.0215	.0177
Copper, sheet.....lb.....	.2900	.2275	.2067	.1917
Quicksilver.....lb.....	.4138	.7300	.6769	.6342
Lead, pig.....lb.....	.0472	.0440	.0445	.0428
Lead pipe.....100 lbs.....	6.5825	5.4000	5.1208	5.1958
Saws, hand, Disston's.....doz.....	14.040	14.400	12.600	12.600
Shovels, Ames' No. 2.....doz.....	10.0300	7.8700	9.1200	8.0200
Spelter, domestic.....lb.....	.0575	.0554	.0442	.0558
Lumber and building materials:				
Oak boards, white, plain.....M. feet.....	33.0000	37.8750	40.8333	44.8333
Pine boards, white.....M. feet.....	37.0000	44.0833	57.5000	80.0000
Shingles, white pine.....M.....	2.3750	3.8417	4.0000	a 3.6500
Doors, pine.....each.....	1.8750	1.3750	1.5900	1.7292
Lime, common.....bbl.....	.8875	.9792	.6833	.7875
Brick, common domestic.....M.....	7.0000	6.5625	5.2500	5.9063
Cement Rosendale.....bbl.....	1.0500	1.0542	1.0167	.8896
Rope, manila.....lb.....	.1250	.1494	.1320	b .1146
Putty.....lb.....	.0306	.0175	.0190	.0140
Carbonate of lead in oil.....lb.....	.0770	.0638	.0625	.0615
Turpentine, spirits of.....gal.....	.38000	.4080	.4771	.5715
Drugs and chemicals:				
Alcohol.....gal.....	2.1025	2.0717	2.3867	2.3958
Brimstone, crude.....ton.....	27.7500	21.1458	21.1458	22.3333
Glycerin, refined.....lb.....	.1925	.1767	.1515	.1446
Linseed oil, domestic, raw.....gal.....	.7025	.6158	.6292	.4167
Opium, natural, (cases).....lb.....	6.6875	2.6208	3.2000	3.0813
Quinine.....oz.....	2.9500	.3275	.3325	.2525
Sulphuric acid.....lb.....	.0100	.0088	.0120	.0127
Furniture:				
Chairs, bedroom, maple.....doz.....	8.000	7.000	8.000	7.917
Chairs, kitchen.....doz.....	4.5000	4.2000	5.2080	5.0000
Tables, kitchen.....doz.....	15.000	15.000	15.600	15.600
Glassware:				
Tumblers, ½ pint.....doz.....		.1800	.1800	.1767
Pails, wooden.....doz.....	1.4500	1.5917	1.4917	1.5875
Tubs, wooden.....nest of 3.....	1.4000	1.6500	1.4417	1.4500
Miscellaneous:				
Rubber, Para.....lb.....	.8500	.8379	.9817	.9054

a Michigan white pine 16 inches long, XXXX. b 7-16 inch.



**Advance Occurs Chiefly in Natural Products—The Advance in Manufactured Articles is Less Than That of the Material from Which They are Produced.**

One important fact in considering the advance in prices is that the chief increase occurs in products of the farm, forest, and mine—*articles which are not controlled by trusts*, and for which advance the trusts or corporations cannot possibly be held responsible. Equally important with this is the fact that finished articles produced from these natural products, whether foodstuffs, articles of clothing, articles of household use, machinery for the farm, or shop, have not advanced in any such proportion as have the raw materials of which they are composed.

Official tables published in various parts of this volume show prices of various classes of productions of agriculture, the mine, the forest, and those of manufactured articles of various classes. A comparison of the advance in prices of these articles not controlled by corporations with the advance in the price of the finished article shows in practically every case a much greater percentage of increase in the raw material, not controlled by trusts or corporations, than in the finished article, produced, in many cases, by the class of corporations which are charged with excessively and arbitrarily advancing prices. Attention is especially called to a table on page        entitled "Comparative Advance in Prices of Certain Related Commodities, 1903, Compared with 1896." This table is compiled from an official bulletin of the United States Bureau of Labor. This table compares prices in 1903 with those of 1896, and is an official statement. It shows an advance in price of cattle of 19.82 per cent. and in fresh beef, which may be classed as the manufactured product, of 12.38 per cent. This does not sustain the assertion which has been frequently made during the past year that the beef trust has excessively advanced prices to the consumer and controlled to its own advantage the prices of the livestock from which the beef is produced. In live hogs the advance in price amounts to 75.22 per cent., and in hams 34.86 per cent. In sheep the advance is 25.03 per cent.; in mutton 19.06 per cent. In corn the advance is 78.61 per cent.; in corn meal 61.11 per cent. In wheat the advance is 23 per cent.; in wheat flour 6.50 per cent. In cotton (upland, middling) the advance is 41.86 per cent., and in print cloths 24.64 per cent., in gingham 15.68 per cent., in cotton denims 14.16 per cent., in cotton bags 13.76 per cent., in cotton flannels 13.74 per cent., in cotton sheetings 13.55 per cent., in cotton tickings 8.44 per cent., in cotton shirtings 5.41 per cent.; while calico is 4 per cent. below the price of 1896 and hosiery is 44 per cent. below that of 1896. This gives an average advance of 12.08 per cent. in the corporation-made articles as against an advance of 41.86 per cent. in the price of the material which they used, and which was not produced or controlled by trusts and is not protected by a tariff. In wool the advance in price is 56.23 per cent. and in the articles manufactured therefrom the average advance is 30.01 per cent.

A study of other tables of prices of natural and manufactured products will show similar conditions, viz., that the chief advance has been in the natural products and that in practically every case the advance in the finished product has been less than that of the material from which it is produced. The Statistical Abstract shows the average price of raw sugar (centrifugals) in 1896 to be 3.62c per pound, and in 1903 3.72c, an advance of 2.76 per cent.; and of the finished product (granulated sugar) in 1896 4.53c, and in 1903 4.64 c, an advance of 2.28 per cent.

This more rapid advance in the price of the natural product than of the finished article is also illustrated by some tables published under the title of "Market Value of Farm Products in 1896 and 1903, when Measured by the Wholesale Price of Staple Articles," which show that 10 bushels of corn which in 1896 was equal in value to 20.9 pounds of raw coffee, was equal in 1903 to 82.4 pounds of coffee of the same grade; that 10 bushels of corn in 1896 would buy, in 1903, 56.9 pounds of sugar, and in 1903, 99.2 pounds; of calico, in 1896, 49.1 yards, and in 1903, 91.4 yards; of refined petroleum, in 1896, 24.8 gallons, and in 1903, 33.8 gallons; and of 8-penny wire nails, in 1896, 88 pounds, and in 1903, 222 pounds; while tables showing the purchasing power of other natural products, also presented, give similar results and are worthy of examination. For table see pages 144 and 145.

## THEODORE ROOSEVELT.

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Theodore Roosevelt, unanimously nominated for the Presidency by the National Republican Convention at Chicago on June 23, 1904, is without doubt, of all men living in the United States in these opening years of the twentieth century, the man best qualified by training and experience for the high duties of the office of Chief Executive. Training for great and varied responsibilities in life is of two kinds:—first, training in those qualities of mind, character, and personality that go to make up the man himself; and second, training in the subjects and the methods that relate to the business of the office in question. In both of these forms of preparation Theodore Roosevelt meets every test of fitness. Measured along the line of the first test, namely, that of personal qualities, the speakers at the Chicago convention were not wrong in the tributes they paid to Mr. Roosevelt as—to quote from ex-Governor Black—"the highest living type of the youth, the vigor, and the promise of a great country and a great age." Senator Beveridge was right in characterizing Theodore Roosevelt as one "whose sympathies are as wide as the Republic; whose courage, honesty, and vision meet all the emergencies, and the sum of whose qualities makes him the type of twentieth century Americanism." Mr. Knight, of California, eulogized President Roosevelt's embodiment of American ideals, aspiration, and character, whose so-called "impulsiveness" is but the frank, decisive habit that comes to be the very essence of the character of a man in whose make-up "dishonesty, cowardice, and duplicity have no part." Mr. Root closed his great speech as temporary chairman of the convention with a tribute to Mr. Roosevelt's personal qualities, and these are the concluding sentences of that memorable address:

No people can maintain free government who do not in their hearts value the qualities which have made the present President of the United States conspicuous among the men of his time as a type of noble manhood. Come what may here, come what may in November, God grant that those qualities of brave, true manhood, shall have honor throughout America, shall be held for an example in every home, and that the youth of generations to come may grow up to feel that it is better than wealth, or office, or power to have the honesty, the purity, and the courage of Theodore Roosevelt.

### **His Character No Topic for Difference of Opinion.**

Theodore Roosevelt's character is no topic for difference of opinion or for party controversy. It is without mystery or concealment. It has the primary qualities that in all ages have been admired and respected: physical prowess, great energy and vitality, straightforwardness, and moral courage, promptness in action, talent for leadership. But besides exhibiting these bolder constituents of manhood that one finds in the best of Plutarch's men, and in the approved figures of all historic periods, Theodore Roosevelt has in his life of forty-six years,—a life lived openly and without any dark or hidden or regretted chapters, in the presence of a host of friends and fellow-citizens—remained constant and true in the possession and exercise of an added set of virtues, namely, those that the best American fathers and mothers must prize and desire for their own children. Thus Theodore Roosevelt, as a typical personality, has won the hearty confidence of the American people; and he has not shrunk from recognizing and using his influence as an advocate of the best standards of personal, domestic, and civic life in the country. He has made these things relating to life and conduct a favorite theme in speech and essay, and he has diligently practiced what he has constantly preached. Thus he has become a power for wholesomeness in every department of our life as a people.

### **A Training for High Public Duties.**

But President Roosevelt is not merely the man of trained and mature personality,—with a physical and mental capacity for continuous work, with a power of concentration that never fails or



flags, with a vitality that never needs artificial stimulant, and with a strength of will as well as of body that is equal to any emergency. Another man might have these splendid attributes of personal manhood, yet be lacking in the kinds of knowledge and experience demanded by the highest executive office in the gift of any nation. A locomotive engineer, a soldier, or the captain of a lake schooner—all men, by the way, whom Theodore Roosevelt cordially respects—might possess an equal measure of Theodore Roosevelt's physical and moral courage, his native intelligence and his tempered self-control, but might lack altogether the knowledge of public affairs that would be requisite for high political office. On the other hand, there are men whose information regarding American history, public policy, and statecraft might in some directions be even wider than President Roosevelt's, while lacking that rounded development of personal character that the people of this country earnestly wish to find in the man who occupies the White House and stands before the world as their foremost citizen and representative. Mr. Roosevelt is without question the highest authority in this country to-day upon the application of our laws and our system of government to the varied tasks of the Chief Executive.

He has been before the public for almost a quarter of a century, always destined to great influence. Yet he has never been a conscious climber up the ladder of public preferment. He has never used one office as if it were a stepping-stone on the way to another. He has never taken up any public task without putting his whole energy into its performance as if it afforded the supreme opportunity for usefulness to his fellow-citizens.

#### **As Boy and Man.**

Theodore Roosevelt was born in New York October 27, 1858. His father was a greatly respected citizen of New York City, and his mother was from the State of Georgia. He graduated at Harvard University in 1880. His health had not been good as a boy, but systematic physical training through the school and college period brought him out strong and well. He was always interested in American history and politics, and entered almost immediately on leaving college upon the career which, without the slightest turning or deviation, he has pursued ever since. He found himself a Republican by inheritance and tradition, by association, and by his own independent study of the course of our country's affairs. He determined to work within that party, believing it to be an organization designed to promote the country's good, within which men might find sufficient freedom for the advocacy from time to time of their own convictions, as policies might develop and new questions might arise. His first public service was in the New York Legislature, to which he was elected in 1881, and where he served for three consecutive terms.

#### **High Ideals in Regard to Public Service.**

He attained, almost immediately, a leading position through his frankness and courage. He saw dawning upon the horizon of practical politics two new and essential reforms. One was the substitution in place of the spoils system of a business-like and efficient civil service, and the other, in view of the rapid growth of our town life, was the improvement of the methods and character of city government. With intelligence, courage, and conviction he threw himself into both of these lines of active reform work. Thus he wrote the original civil service law of the State of New York, and as a Republican carried it through the Legislature. He instituted an investigation into the conditions of municipal government in the metropolis of the country, and headed the committee that made the inquiry.

Young Republicans all over the United States took note of this resolute new leader in the great Empire State, and said to one another, if he shows staying power we shall some day make him President. In 1884, young as he was, he appeared at the National Republican Convention as one of the four delegates at large from his State. Some of his most trusted and respected friends in New York and Massachusetts who had been prominent in the cause of civil service reform did not concur in the Republican choice of Mr. Blaine for President, and launched an independent move-



ment. Mr. Roosevelt, however, adhered to the Republican party and supported the ticket, although Mr. Edmunds, rather than Mr. Blaine, had been his convention preference; and he set forth his position in a statement so clear and final upon the obligations and duties of party allegiance, that he would not to-day alter a single word.

### Some Details of a Busy Life.

In the twenty years from this conspicuous appearance of his at the convention of 1884 to the convention which nominated him in 1904 his position in the Republican party and in the country has been one of steady growth, until he has now become firmly established as the highest authority in the party and the foremost public man of the Nation. From his early days in college he had been a devoted student of the history, the geography, the development, and the life in all phases of this great country. While still a member of the New York Legislature he had acquired a ranch near the Montana line of North Dakota, where for several years he spent much of his time, participating actively in pioneer life, and gaining in practical ways an invaluable knowledge of the processes of evolution through which all American commonwealths have had to pass. His work as a student of books, meanwhile, was never dropped, even while he was most busily engaged in the affairs of current politics or in frontier activity. In 1886 he was the Republican nominee for mayor of New York City, but was defeated by Mr. Abram Hewitt as the Tammany Democratic nominee, around whom certain conservative interests rallied in the fear that otherwise the third candidate, Mr. Henry George, might be elected.

It was not until 1889 that Mr. Roosevelt again held an office; but he was meanwhile in more than one way an active and influential figure in the busy life of the American people. In 1882 he had published his work on the second war with Great Britain, entitled "The Naval Operations of the War Between Great Britain and the United States, 1812-1815." This at once gave him a place among writers on American history and also among students of naval strategy. His next book, which appeared in 1886, was called "Hunting Trips of a Ranchman." During the following three years, when he had no official duties, he gave his best energy to the study of the history and development of the United States, and embodied that study in a series of volumes. So industrious was he, indeed, that he brought out in the years 1886-1889 (inclusive) no fewer than seven volumes that will stand permanently to his credit. It was in this period that he entered upon those remarkable studies of the conquest and settlement of the Mississippi Valley which have taken form in his four-volume work entitled "The Winning of the West," of which the first two volumes were given to the public in 1889. He had meanwhile in 1887 and 1888 contributed two volumes to the "American Statesman" series, one a life of Thomas H. Benton, the other a life of Gouverneur Morris. In 1888, moreover, appeared his volume entitled "Essays on Practical Politics," which has more recently been brought out with additional essays in the volume called "American Ideals." His second book on frontier life also appeared in 1888 under the title "Ranch Life and Hunting Trail."

### As Civil Service Commissioner.

Mr. Roosevelt had always been interested in our foreign relations, and was proposed for Assistant Secretary of State when President Harrison's administration began in 1889; but he was offered instead what seemed the less attractive position of civil service commissioner. He took the position cheerfully and held it for six years. During that period, serving under President Cleveland as well as President Harrison, he saw the methods of appointment in the United States almost completely transformed. His activity and energy in this great work of putting business-like method into the detail of the public services brought him into close contact with the machinery of government in all the departments, and into relationship with cabinet officers, senators, members of Congress, and the whole *personnel* of administration. For a young man capable of taking on training, there could have been no better school than this for subsequent personal direction of

that great administrative machine. And when Roosevelt left the office Commission he had served his full apprenticeship and was fit for any public work, no matter what its responsibilities, that might be assigned to him.

#### **As Police Commissioner of New York.**

He was in his thirty-seventh year when, early in 1895, Mayor Strong called him from Washington to take the presidency of the Police Board of New York City. He will be in his forty-seventh year when, early in 1905, the victor in the pending Presidential campaign will be inaugurated at Washington. In these ten years his career has led him upward and onward by swift bounds almost unprecedented in our political history; but the secret of his advancement is to be found in the thoroughness of his previous training. As New York Police Commissioner he was called upon to show great strength of character in the observance of his oath of office by enforcing unpopular laws. He left a permanent impress upon the administration of the great metropolis. He helped to solve some of the most difficult police problems for all the cities of the country.

#### **As Assistant Secretary of the Navy.**

He was one of the first to foresee the inevitability of the war with Spain. He had done what he could for the Police Department of New York, and meanwhile a Republican administration was coming into power at Washington. He was appointed by Mr. McKinley as Assistant Secretary of the Navy, Hon. John D. Long, of Massachusetts, being head of that department. We were wholly unprepared for war either on land or by sea. Of all men connected with the administration Roosevelt most clearly perceived the fact that although armies may be made ready after war breaks out, navies must be prepared in advance or be worse than useless. When he began to enforce the necessity of training in marksmanship upon the navy, our standing in that regard was below that of all the leading naval powers. In less than two years, through the efforts of Theodore Roosevelt, our naval gunners led the world in skill and accuracy.

#### **His Service in the War With Spain.**

When the war broke out Roosevelt felt that his place was at the front, and that there was no longer need of his services in the Navy Department. He enlisted as a volunteer, was commissioned with Dr. Leonard Wood to form the First Regiment of Volunteer Cavalry, known as "the Rough Riders," won honor at Santiago, and with fresh laurels returned from Cuba in the summer of 1898 as a colonel, recommended by President McKinley for a brevet brigadier-generalship for gallantry on the field of action.

#### **As Governor of New York.**

The political pendulum was swinging strongly toward the Democratic side in the affairs of New York State. A large sum of money had been spent to deepen the Erie Canal without effective results, and public opinion had condemned the Republican party. In this emergency Roosevelt was the only man in sight who offered the Republicans any chance at all. He was nominated without conditions, promised the people to investigate the canal situation thoroughly and to expose and punish whatever wrong-doing he might find, and carried the State triumphantly because the people had faith in him. His administration as governor was noteworthy for its efficiency in managing the affairs of the Empire State, and for its promotion of several needed reforms. He appointed the charter commission which gave the metropolis its present revised system of government; he selected the tenement house commission which extended the housing reforms that he had begun as police commissioner; he undertook to unify the control of public educational work in the State; he secured the passage of the far-reaching franchise tax law; he presented to the Legislature the most statesmanlike messages upon the regulation of trusts and corporations and various taxing reforms that were produced in any State during that period,—and he had before him the certain prospect of a triumphant reelection as governor for a second term in the autumn of 1900.



### **As Vice President.**

His victory of 1898, however, had everywhere attracted attention to his availability for the national ticket two years later. Mr. McKinley's renomination was conceded, and the Republicans of the country, especially in the West, were already talking of Theodore Roosevelt as their probable candidate for 1904. He appeared at the Philadelphia convention at the head of the New York delegation just as he had appeared sixteen years previously at Chicago. Not only was he the most popular personal figure in the convention, but he was regarded by a large proportion of the delegates, for a series of reasons, as the most desirable man to be associated with Mr. McKinley on the ticket. Hence the nomination which he sought to avoid, but accepted when it came as the mandate of the party. He entered upon the work of the campaign with great enthusiasm, and his work as a speaker was more effective than that of any other member of his party. The campaign over, he quietly resumed his literary work (he had already written in 1898 his famous book, "The Rough Riders," and while governor wrote a characteristic life of Oliver Cromwell), visited the Rocky Mountains and wrote a remarkable description of the hunting of the cougar, and so—in place of his expected second term in the intense activities of the governorship of New York—he reconciled himself to the prospects of four years of quiet, self-repressed, observant, and studious life in the dignified office of Vice-President.

### **Taking Up the Work Laid Down by President McKinley.**

A brief extra session had given him opportunity in his new official capacity to preside over the Senate. The first regular session of Congress was not to begin until December, 1901. In September, however, the bullet of the assassin made vacant the great office so ably and honorably filled by President McKinley, and on September 14, 1901, at Buffalo, Theodore Roosevelt took the oath of office as President of the United States, informing the country that it was his purpose to take up the work as Mr. McKinley had laid it down. He has been unfailingly true to that promise. No previous Vice-President ever came into power through the death of the President without almost immediately calling about him a new cabinet and adopting methods and policies of his own.

Mr. Roosevelt, with an individuality as strong as that of any other man of his day, was able to adjust himself at once to the personnel and to the policies of the McKinley administration, while sacrificing not one whit of his own personality, and while fixing in every direction the impress of his own distinctive methods. Mr. McKinley's cabinet remained with him to a man, one or two of them who had expected to retire—Mr. Gage, Mr. Long, and Mr. Smith, for example—keeping their places longer than they otherwise would have done. Mr. Root, Mr. Hay, and Mr. Knox had the same freedom of opportunity to carry on their great departments as under Mr. McKinley himself. Mr. Hitchcock and Mr. Wilson held steadily on their respective courses. There was unity in the cabinet, there was good-will between the Administration and both Houses of Congress, and there was harmony and enthusiasm in the party at large. Senator Hanna, as chairman of the National Committee and an influential figure in Congress, remained in close and confidential relations with the new President to the day of his lamented death.

### **His Nomination in 1904 a Foregone Conclusion.**

Under these circumstances, with the unshaken confidence of the masses of the people and with the enthusiastic support of the unofficial rank and file of the Republican voters, President Roosevelt's nomination at Chicago in 1904 was a foregone conclusion, even though it had never happened before that a President who had come into office to fill an unexpired term had been his party's choice for reelection.

### **Some of the Achievements of President Roosevelt's Administration.**

Under President Roosevelt's administration a series of great achievements can be named, and these will constitute a large



part of the claim that the Republican party makes in this year's campaign for another lease of power.

#### **Cuba.**

President McKinley had undertaken to create a new and stable republic in the island of Cuba, having intimate relations with this country, for our own advantage and for the best welfare of the people of the island. President Roosevelt completed that task; insured the prosperity of Cuba by a mutually advantageous treaty of commercial reciprocity; established on the south coast of Cuba a great naval station commanding the Caribbean Sea, and thus put the stamp of completion upon one of the most brilliant and highly creditable chapters in the statesmanship of any nation. We had not gone to Cuba to make war, but to establish peace; and it has been Theodore Roosevelt's good fortune to play a leading part in the beginning and the ending of that proud episode.

#### **The Philippines.**

Again, through Secretary Root, Judge Taft, and their associates and successors President Roosevelt has given permanence to the lines of humane and progressive policy for the Philippines, promoting education and self-government by every possible means, and working steadily towards the prosperity of the islands. His remarkable knowledge of army affairs enabled him to cooperate the more successfully with Secretary Root in the reorganization of our military system. His intimate knowledge of naval affairs has given the country as well as Congress a very general confidence in the policy of naval enlargement and efficiency that has been adhered to through his administration.

#### **The Monroe Doctrine.**

No one understands so well as President Roosevelt the manner in which a strong navy insures peace for this country. It was the strength of our navy which made it comparatively easy for the President to prevail upon Germany and England to withdraw from their blockade of Venezuela and to submit all points in controversy to settlement by arbitration. In dealing with the various aspects of this Venezuela question the principles of the Monroe Doctrine were accepted and strengthened, and the prestige of the United States as a just and disinterested arbiter in Western Hemisphere affairs was advanced to a point never before reached. President Roosevelt was besought to take upon himself the arbitration of certain phases of the Venezuela dispute, but he sent the case to The Hague, thereby contributing the greatest practical aid to the cause of a permanent tribunal. The settlement of the Alaska boundary on the basis of the findings of an Anglo-American commission was also a great triumph of statesmanship for which President Roosevelt is entitled to the highest credit.

#### **The Isthmian Canal.**

The Venezuela and Alaska situations exemplified talent of the highest order in the settlement of critical foreign questions. But, to many minds, the crowning achievement of Mr. Roosevelt and his administration has been the removal of all the series of vexatious obstacles that lay in the way of beginning the construction of the Isthmian Canal. No man in the United States has been more strongly impressed for many years than President Roosevelt himself with the necessity of keeping the Isthmian Canal under the political sovereignty and control of the United States Government. His views on this subject were frankly expressed and highly influential in the final shaping of the negotiations with England for the abrogation of the Clayton-Bulwer Treaty. When it seemed best to give up the Nicaragua route, President Roosevelt stood firmly for a proper measure of American jurisdiction over the Panama zone. At every step of the negotiations, first with Colombia and then with Panama, his course was marked by good faith in the highest degree and disinterested statesmanship without a flaw or stain. The final outcome, that of an independent republic at Panama closely allied with the United States, was the best solution, probably, that could have been found, whether for North America, South America, or the commercial nations of

Europe; and the citizens of Colombia itself are already perceiving that this was the best solution for them, and that they are now certain to have all the benefits of a canal on the most favored terms, without any of the dangers, costs, or responsibilities. With his characteristic foresight and intelligence, the President has already provided for the thorough sanitation of the canal zone, has appointed a splendidly qualified board of commissioners to construct the canal, and has arranged for the effective policing and government of the ten-mile strip. If reelected, he will astonish the world by the vigor, efficiency, and essential economy with which he will prosecute this greatest of all engineering tasks.

### **Foreign Relations.**

In his proclamations enjoining neutrality in the war between Russia and Japan, President Roosevelt has shown great tact as well as a correct sense of our position under international law. His leadership in securing from all great powers, including the combatants themselves, the territorial restriction of the war, will go upon the record as one of the most beneficent services in the history of American diplomacy. His promptness in defending American rights, whether in Turkey, Morocco, Santo Domingo, or elsewhere, has promoted peace and good-will rather than animosity. Under his administration our relations with all nations, foreign governments, and peoples have been advanced to the highest point of friendliness and mutual respect ever attained since the beginning of our national life.

### **Internal Administration.**

In the work of internal administration President Roosevelt has shown himself, on the one hand, thorough in routine and a master of detail; on the other hand, strong and constructive in policy. His whole training had made him preeminently fit for the direction of the machinery of the immense executive business of government. Under him the departments have reached their highest pitch of efficiency. Never before has the work of skilled and competent men been so much in demand or so heartily appreciated. Never before have the unworthy and the incompetent been so unsparingly shut out from the governmental services. In the Post-Office Department there had survived and developed in certain special parts of the vast organization some favoritism, some fraud, and some flagrant dishonesty as the bad fruitage of a spoils system for which both parties must share the blame. These evil conditions had escaped the vigilance of two or three Congressional investigations; but President Roosevelt has brought them to the light, sparing no culprit, however well connected or influentially surrounded. Thus the people know that in him they have an executive unequalled in the reduction of the public service to a basis of honesty, efficiency, and intelligent economy.

It is a great thing to be able to grasp details as well as to formulate principles: and to know how to select men as well as to understand the tasks to which they are assigned. But President Roosevelt, who excels in acting as Uncle Sam's foreman in running every branch of his great business, has also shown a remarkable talent for domestic statesmanship and for the initiating of new and better methods. Thus he has thrown himself into the task of improving Uncle Sam's physical domain, and as a result we have the new irrigation policy which is to add to the Nation's wealth, population, and contentment more than any man can now well estimate. We have also the new forestry policy, and many other matters of note belonging in particular to the departments of Secretary Wilson and Secretary Hitchcock, having to do with the country's material welfare and progress.

### **The New Department of Commerce and Labor.**

One of the greatest constructive achievements of President Roosevelt's administration has been the setting up of a new cabinet department, that of Commerce and Labor. This department groups together in a convenient way a number of public services already existing, and in addition it enables the Government to utilize more effectively its constitutional power to regulate commerce between the States for the well-being of the people and,



further, to promote not only the country's prosperity in industry and commerce, but also its harmony in the relations between the different factors of production.

#### **Difficult Problems Well Solved.**

In everything let it be said that, wherein it has fallen to the President's lot to deal with problems affecting the relations of capital and labor, he has not failed to show the highest qualities of courage and the highest sense of justice, but he has at all times upheld the dignity and the supremacy of the national Government. The anthracite coal strike reached a point where it became a grave national emergency, and the President found a way to settle it which did not strain in the slightest degree his official prerogative, while it contributed greatly to the prestige of the Government, reassured the public, and fixed a noble precedent in favor of arbitration at a moment when the strain between labor and capital was the greatest ever known in this country.

#### **Enforcement of the Sherman Anti-Trust Law.**

The measures taken by the President through the Attorney-General's office for the enforcement of the Sherman anti-trust law, however important they were as respects the particular matters in dispute, found their greatest importance, after all, in the assurance they gave that the law is still supreme in this land, that the President as Chief Magistrate will enforce the law against the greatest corporation as well as against the criminal who breaks open a letter-box, and that the highest courts, when entered under the President's instruction by an energetic Department of Justice, will interpret the laws without fear or favor.

#### **Unfailing in His Sense of Justice.**

President Roosevelt has been unfailing in his sense of public dignity and justice. He has reposed the fullest confidence in his associates in executive office, and has gloried in their effective devotion to their work, relying upon them and leaving them unhampered, while himself always in the fullest sense the President and the leader. His has been an administration without fads, without favorites, and without scandals. In army and navy promotions, as well as in all appointments to civil office, he has performed his duty with sole regard to the country's welfare, and with a freedom from bias or mere personal leaning that has never been surpassed if ever before equalled in the administration of any American President.

#### **He Knows the Country and Its People.**

He knows the country and all its interests and resources from North to South and from East to West. He knows the plain people, in person and in type, as well as he knows their leaders in industry and education, in church and state. He has no quarrels; he bears no grudges; he is willing and anxious to work with all men who will deal honorably and faithfully. He knows the history of labor, recognizes the services that have been rendered by associations of working men for mutual benefit, and is so confident in his sense of good faith in all his dealing with the problems of labor and capital, that he has no fear of being misunderstood when he speaks with perfect frankness upon questions as they arise. He knows the Indians and sees that they have justice. He knows the difficulties that beset the race problem in the South, but he also holds that in ethics, as under the Constitution and laws of the United States, a man is a man, no matter what the color of his skin.

#### **He Holds the Man Higher than the Dollar.**

While believing that the rights of property must be regarded and conserved, he holds the man higher than the dollar. He sees that in a country like ours, the radical and the conservative alike must demand of their chief executive that he maintain the law as first and supreme over rich and poor alike.



### **An Example to the Young Men of the Country.**

To the young men of the country, President Roosevelt sets an example of the value of a sound mind in a sound body. His career helps them to see the practical worth of industry, of system, of temperate living; and helps them to perceive that faith in the highest public and private ideals still holds sway in our places of highest honor and power.

### **IN BEHALF OF RAILWAY EMPLOYEES—THE SAFETY APPLIANCE LAW.**

President Roosevelt has been especially active in his efforts to preserve the integrity of laws passed for the protection of wage workers, and has insisted that such laws be impartially and effectively executed. His efforts in behalf of railway employees deserve special mention.

In 1893 the Safety Appliance Law, Car Coupler Bill, as it is sometimes called, was passed by a Republican congress. This legislation was persistently opposed by Democrats at previous sessions of Congress, and Senator Gorman and other prominent Democrats worked and voted against the bill as finally passed. The main purpose of this law was protection for the lives and limbs of railway employees, and it has proved of great benefit to this class of wage-workers.

As has been the case with almost all legislation of this character, experience disclosed certain defects in the law, and showed that it was impossible to obtain the full benefit contemplated by its framers without the enactment of certain amendments, which were proposed. President Roosevelt took a lively interest in this law, and interested himself actively in the passage of the proposed amendments, calling attention to the matter in his Message to Congress, under date of December 2, 1902, as follows:

The safety appliance law for the better protection of the lives and limbs of railway employees, which was passed in 1893, went into full effect on August 1, 1901. It has resulted in averting thousands of casualties. Experience shows, however, the necessity of additional legislation to perfect this law. A bill to provide for this passed the Senate at the last session. It is to be hoped that some such measure may now be enacted into law.

The friends of the law were much indebted to President Roosevelt for invaluable assistance in furthering the passage of these amendments, which finally passed both Houses of Congress, and received the President's approval on March 2, 1903.

From the standpoint of a proper administration of the law the passage of these amendments had become a necessity, owing to a decision of the United States Circuit Court of Appeals in the case of *W. O. Johnson vs. The Southern Pacific Company*. This case was an action in which the plaintiff, Johnson, a freight brakeman in the employ of the railroad company, sought to recover for the loss of an arm. He was injured while attempting to couple a locomotive onto a dining car with an ordinary link and pin, contrary to the spirit and letter of the safety appliance law, and his case involved a construction of that law, particularly the second section of it, which makes it unlawful for any common carrier "to haul or permit to be hauled or used on its line any car used in moving interstate traffic not equipped with couplers coupling automatically by impact, and which can be uncoupled without the necessity of men going between the ends of the cars."

In the trial court the case was taken from the jury and a verdict ordered for the defendant company, whereupon Johnson, relying on the justice of his cause and with confidence in the law that had been enacted for his protection, collected all of his scanty resources and took the case to the United States Circuit Court of Appeals, on appeal from the action of the trial judge. In its disposition of the case the Circuit Court of Appeals sustained the action of the court below, and in an elaborately written opinion placed such a construction upon the law as to nullify it in important particulars and render it useless for the purpose intended by its framers, namely, protection for the lives and limbs of railway employees.

Ordinarily this decision would have ended the case, as the decisions of the Circuit Court of Appeals are final in such cases, and Johnson, being penniless and without influence, seemed to have no alternative but submission. As a last resort, however, a

petition for a writ of certiorari was submitted to the Supreme Court of the United States in his behalf. Because of the interest of the Government in the construction given by the Circuit Court of Appeals to the car coupler act, the Attorney-General, by direction of the President, intervened in the case before the Supreme Court and submitted reasons of a public nature why the case should be reviewed by that court. The Supreme Court granted the writ, and the case will be heard early in October next.

It is believed that this is the first instance in the history of the country wherein a court has construed a public statute in a private case in such a way as to nullify the statute, and in which the Government has intervened to protect the integrity of the law. The plaintiff in this case is a poor brakeman. He had used all his money in litigation, and was without means to carry the case further even had he been granted the right to do so; and had the Government not become interested in his case through the action of the President he must have submitted to the decision of the court and given up all hope of securing redress of his injury. But through the action of the President and his able Attorney-General he is given an opportunity to have his case heard by the highest tribunal in the land, and it will be so ably and fully presented to the court by the officers of the Government that he will be assured of a proper disposition of his case.

Another important case under this law in which the President has demonstrated his sympathy for wage-workers and his interest in the laws that have been passed for their protection, is that of Voelker vs. The Chicago, Milwaukee & St. Paul Railway Co., recently decided by the Circuit Court of Appeals for the eighth circuit. Voelker was a switchman in the employ of the railroad company, and in the discharge of his duties he was crushed to death between the drawbars of two cars while endeavoring to adjust a defective coupler so that it would operate as the law directs. His widow brought suit against the railroad company to recover for his death, and a jury in the trial court rendered a verdict in her favor on which judgment was rendered.

The railroad company carried the case to the United States Circuit Court of Appeals in an effort to set aside the judgment of the lower court, and as a construction of the law in vital particulars was involved it became important that the case should be properly presented to the court. For the protection of railway employees it was necessary that the integrity of the law should be sustained, and by direction of the President the Attorney-General asked leave to intervene and file a brief in the case, in order that the court should be fully informed concerning the scope and intent of the law. The opinion of the Circuit Court of Appeals sustains the law completely, and places such a construction upon its terms that railway employees may now feel that they have a sound and efficient law to protect their interests, and that a beneficent government is watchful to see that they are not exposed to unnecessary hazard in the pursuit of their dangerous calling.

This has been accomplished by the watchful care of the President and his zeal in seeing that rich and poor alike are given the protection intended to be accorded them by the laws of their common country.

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**The true solution of the questions arising between labor and capital lies in an awakened public conscience.—Hon. C. W. Fairbanks, at Kansas City, Mo., September 1, 1902.**

**There are more than twenty-five thousand local labor unions in the United States, with a membership of more than two millions. What infinite good can be accomplished by this mighty army of peace and industry if held true to its opportunity.—Hon. C. W. Fairbanks, at Kansas City, Mo., September 1, 1902.**

**We want no slave labor. Two million men, with their blood, wiped away slavery forever. We want no labor, either white or black, in a virtual state of serfdom. Labor must be free, with all the prerogatives which pertain to freedom.—Hon. C. W. Fairbanks, at Kansas City, Mo., September 1, 1902.**

## LABOR RECORD OF THEODORE ROOSEVELT.

"The most vital problem with which this country, and for that matter the whole civilized world, has to deal is the problem which has for one side the betterment of social conditions, moral and physical, in large cities and for another side the effort to deal with that tangle of far-reaching questions which we group together when we speak of labor."—President Roosevelt's first message to Congress.

### Epitome of Theodore Roosevelt's Favorable Action on Labor Legislation.

*As member of assembly in New York he voted for bills—*

- Abolishing tenement-house cigar making in New York City.
- Restricting child labor in factories and workshops.
- Regulating the labor hours of minors and women in manufacturing establishments.
- Safeguarding the lives and limbs of factory operatives.
- Regulating wage rates of laborers employed by municipalities.
- Making employees preferred creditors.
- Providing for building mechanics' liens.
- Prescribing the lien rights of working women.
- Protecting mechanics and laborers engaged in sinking oil or gas wells.
- Abolishing contract child labor in reformatory institutions.
- Creating a commission to examine into the operation of the contract system of employing convicts.
- Establishing the bureau of labor statistics.
- To promote industrial peace.
- For a five-cent fare on the New York City elevated railroad.
- Incorporating the New York City Free Circulating Library.
- For free public baths in New York City.

*As governor of New York he approved these measures:*

- Creating a tenement-house commission.
- Regulating sweat-shop labor.
- Empowering the factory inspector to enforce the scaffolding law.
- Directing the factory inspector to enforce the act regulating labor hours on railroads.
- Making the eight-hour and prevailing-rate-of-wages laws effective.
- Amending the factory act—
  - (1) Protecting employees at work on buildings.
  - (2) Regulating the working time of female employees.
  - (3) Providing that stairways shall be properly lighted.
  - (4) Prohibiting the operation of dangerous machinery by children.
  - (5) Prohibiting women and minors working on polishing or buffing wheels.
  - (6) Providing for seats for waitresses in hotels and restaurants.
- Shortening the working hours of drug clerks.
- Increasing the salaries of New York City school-teachers.
- Extending to other engineers the law licensing New York City engineers and making it a misdemeanor for violating the same.
- Licensing stationary engineers in Buffalo.
- Providing for the examination and registration of horseshoers in cities.
- Registration of laborers for municipal employment.
- Relating to air brakes on freight trains.
- Providing means for the issuance of quarterly bulletins by the bureau of labor statistics.
- In addition to the foregoing, while governor of New York he recommended legislation (which the legislature failed to pass) in regard to—
  - Employers' liability.
  - State control of employment offices.
  - State ownership of printing plant.



Devising means whereby free mechanics shall not be brought into competition with prison labor.

*As President of the United States he has signed bills—*

Renewing the Chinese-exclusion act and extending its provisions to the island territory of the United States.

Prohibiting the employment of Mongolian labor on irrigation works and providing that eight hours shall constitute a day's labor on such projects.

Abolishing slavery and involuntary servitude in the Philippine Islands, violation of the act being punishable by forfeiture of contracts and a fine of not less than \$10,000.

Protecting the lives of employees in coal mines in Territories by regulating the amount of ventilation and providing that entries, etc., shall be kept well dampened with water to cause coal dust to settle.

Exempting from taxation in the District of Columbia household belongings to the value of \$1,000, wearing apparel, libraries, school books, family portraits and heirlooms.

Requiring proprietors of employment offices in the District of Columbia to pay a license tax of \$10 per year.

Creating the Department of Commerce and Labor and making its head a Cabinet officer.

Improving the act relating to safety appliances on railways.

Increasing the restrictions upon the immigration of cheap foreign labor and prohibiting the landing of alien anarchists.

#### **Union Labor in Government Work.**

In his first message to Congress, in 1901, President Roosevelt recommended that "provision be made to render the enforcement of the eight-hour law easy and certain," and also that the Government should provide in its contracts that all work for it should be done under "fair" conditions.

By this expression it is understood that the President meant that no contract should be given or no contractor employed by the Government who would not agree to pay the union scale of wages; in other words, no contractor should, in any way, be allowed to obtain a contract from the Government by lessening the price paid the employees for their labor to a point less than the "fair" or union scale of wages or by working more than the usual number of hours per day which had been fixed for the trade.

While thus favoring the union standard of wages and hours in Government work the President recognizes the illegality of any discrimination for or against members of a union. Thus in the case of William A. Miller, who complained that he was removed from his position of assistant foreman in the Government Printing Office, in violation of the civil-service law, because he had been expelled from Local Union No. 4, of the International Brotherhood of Bookbinders, the President ordered Miller's reinstatement and explained the rule governing public employment in the following communication to Secretary Cortelyou, in whose charge the President placed the investigation:

OYSTER BAY, N. Y., July 13, 1903.

MY DEAR SECRETARY CORTELYOU: In accordance with the letter of the Civil Service Commission of July 6, the Public Printer will reinstate Mr. W. A. Miller in his position. Meanwhile I will withhold my final decision of the whole case until I have received the report of the investigation on Miller's second communication, which you notify me has been begun to-day, July 13.

On the face of the papers presented, Miller would appear to have been removed in violation of law. There is no objection to the employees of the Government Printing Office constituting themselves into a union if they so desire, but no rules or resolutions of that union can be permitted to override the laws of the United States, which it is my sworn duty to enforce.

Please communicate a copy of this letter to the Public Printer for his information and that of his subordinate.

Very truly, yours,

THEODORE ROOSEVELT.

HON. GEORGE B. CORTELYOU,  
*Secretary of Commerce and Labor.*

OYSTER BAY, N. Y., July 14, 1903.

MY DEAR MR. CORTELYOU: In connection with my letter of yesterday, I call attention to this judgment and award by the Anthracite Coal Strike Commission to its report to me of March 18 last:

"It is adjudged and awarded that no person shall be refused employment or in any way discriminated against on account of

membership or nonmembership to any labor organization, and that there shall be no discrimination against or interference with any employee who is not a member of any labor organization by members of such organization."

I heartily approve of this award and judgment by the Commission appointed by me, which itself included a member of a labor union. This Commission was dealing with labor organizations working for private employers. It is, of course, mere elementary decency to require that all the Government Departments shall be handled in accordance with the principle thus clearly and fearlessly enunciated.

Please furnish a copy of this letter both to Mr. Palmer and to the Civil Service Commission for their guidance.

Sincerely yours,

THEODORE ROOSEVELT.

HON. GEORGE B. CORTELYOU,

*Secretary of Commerce and Labor.*

Mr. Palmer, the Public Printer, on Wednesday, July 16, notified Mr. Miller that he had been reinstated and might report for duty any day.

On September 29, 1903, the President gave a hearing to members of the executive council of the American Federation of Labor on the subject of pending labor legislation, at which he announced his final decision in the Miller case and at the same time explained his preference for the "union shop" in private employment. The president of the American Federation of Labor in an address, issued on the succeeding day, to organized labor of America, thus described President Roosevelt's attitude:

Replying to statements on the subject, President Roosevelt set forth that in his decision he had nothing in mind but a strict compliance with Federal, including civil service, law and that he recognized a difference between employment by the Government, circumscribed by those laws, and any other form of employment, and that his decision in the Miller case should not be understood to have any other effect or influence than affecting direct employment by the Government in accordance therewith. He furthermore made plain that in any form of employment excepting that so circumscribed he believed the full employment of union men was preferable either to nonunion or open shops.

Following is the official account of the hearing:

SEPTEMBER 29, 1903.

Pursuant to the request of Samuel Gompers, president of the American Federation of Labor, the President granted an interview this evening to the following members of the executive council of that body: Mr. Samuel Gompers, Mr. James Duncan, Mr. John Mitchell, Mr. James O'Connell, and Mr. Frank Morrison, at which various subjects of legislation in the interests of labor, as well as Executive action, were discussed. Concerning the case of William A. Miller, the President made the following statement:

"I thank you and your committee for your courtesy, and I appreciate the opportunity to meet with you. It will always be a pleasure to see you or any representatives of your organizations or of your federation as a whole.

"As regards the Miller case, I have little to add to what I have already said. In dealing with it I ask you to remember that I am dealing purely with the relation of the Government to its employees. I must govern my action by the laws of the land, which I am sworn to administer, and which differentiate any case in which the Government of the United States is a party from all other cases whatsoever. These laws are enacted for the benefit of the whole people, and can not and must not be construed as permitting discrimination against some of the people. I am President of all the people of the United States, without regard to creed, color, birthplace, occupation, or social condition. My aim is to do equal and exact justice as among them all. In the employment and dismissal of men in the Government service I can no more recognize the fact that a man does or does not belong to a union, as being for or against him, than I can recognize the fact that he is a Protestant or a Catholic, a Jew or a Gentile, as being for or against him.

"In the communications sent me by various labor organizations protesting against the retention of Miller in the Government Printing Office the grounds alleged are twofold: First, that he is a nonunion man; second, that he is not personally fit. The question of his personal fitness is one to be settled in the routine of administrative detail, and can not be allowed to conflict with or to complicate the larger question of governmental discrimination for or against him or any other man because he is or is not a member of a union. This is the only question now before me for decision, and as to this my decision is final."

In the foregoing statement of policy President Roosevelt merely reiterated his well-known conviction that the law must be administered with absolutely no discrimination.

### The President and the Coal Strike of 1902.

The President has frequently emphasized the need of more sympathy between employers and employees and deprecated the cultivation of class feeling with its resulting antagonisms.

The appointment of the commission, which resulted in the termination of the great coal strike of 1902, is perhaps President Roosevelt's most widely known and generally appreciated contribution toward the improvement of industrial relations. When the efforts of all other peacemakers had come to naught and the coal famine remained unbroken at the near approach of winter, Mr. Roosevelt, as a representative American citizen, pleaded with the operators and miners to terminate their dispute and resume the mining of coal. Public opinion supported his action so strongly that both sides to the dispute agreed to resume work and leave to a commission to be appointed by the President the determination of the conditions of employment concerning which they had been unable to agree. The President's commission not only adjusted the dispute in the coal regions, but in so doing formulated principles of very general application to the organization of industry at the present time. The immediate effect of the commission's appointment was, as the President has himself stated, "of vast and incalculable benefit to the nation, but the ultimate effect will be even better if capitalist, wage-worker, and lawmaker alike will take to heart and act upon the lessons set forth in the report" of the commission. The coal industry is typical of all the great industries of to-day that are organized on the principle of large-scale production, and its treatment of the labor problem is therefore highly illuminative.

Under the influence of a vast stream of immigration of Poles, Hungarians, and Slavs into the coal regions during the last two or three decades wages had steadily declined. The American miners saw their own standard of living threatened by the lower standards brought from central Europe unless they could induce these newcomers to unite with them in an effort to put an end to the incessant underbidding for employment. In 1897 they brought their organization, the United Mine Workers, to such a state of perfection that it dominated the labor situation in the bituminous regions and met the employers' associations on an equality in the annual settlement of the terms of employment. In 1899 the organization spread to the anthracite regions and the next year was able to secure a 10 per cent. advance in wages, after a comparatively short strike that was supported as heartily by the miners outside the union as by the minority at that time in the union.

As a consequence of this triumph a vast majority of the miners joined the organization, which thereupon sought to represent the miners in making terms with the employers' agents at annual conferences such as were held with the bituminous operators. The denial of this request by the officers of the mining corporations nearly brought on another strike in 1901, and when early in 1902 a similar request, accompanied with a demand for an advance in wages, etc., was once more denied, industrial peace could no longer be preserved. The operators even refused the union's offer to submit its demands to the arbitration of the National Civic Federation or other arbitrators, and a week later a delegate convention of the anthracite mine workers voted to continue the strike ordered on May 12. In obedience to this decision, says the commission, "nearly the entire body of mine workers, which numbers about 147,000, abandoned their employment and remained idle until the strike was called off by another convention," that is, until October 23, 1902.

With the progress of summer and the failure of all mediatory efforts to adjust the differences between the miners and the operators the scarcity of fuel made itself felt. Many factories that were dependent upon anthracite had to shut down, throwing large numbers of working people out of employment, and the famine prices at which coal was sold almost prohibited its use for domestic purposes by the poorer families. As cold weather approached the President felt himself virtually compelled to act in order to avert unexampled distress throughout all eastern communities that depended upon anthracite coal for domestic heating purposes. On October 1 he telegraphed an invitation to the presidents of the



five coal railroad companies, a prominent individual operator, and the president of the miners' organization to confer with him "in regard to the failure of the coal supply, which had become a matter of vital concern to the whole nation." To these seven persons, who met the President at the White House on October 3, Mr. Roosevelt said:

I wish to call your attention to the fact that there are three parties affected by the situation in the anthracite trade—the operators, the miners, and the general public. I speak for neither the operators nor the miners, but for the general public. The questions at issue which led to the situation affect immediately the parties concerned—the operators and the miners—but the situation itself vitally affects the public. As long as there seemed to be a reasonable hope that these matters could be adjusted between the parties, it did not seem proper to me to intervene in any way. I disclaim any right or duty to intervene in this way upon legal grounds or upon any official relation that I bear to the situation, but the urgency and the terrible nature of the catastrophe impending over a large portion of our people in the shape of a winter fuel famine impel me, after much anxious thought, to believe that my duty requires me to use whatever influence I personally can to bring to an end a situation which has become literally intolerable. I wish to emphasize the character of the situation and to say that its gravity is such that I am constrained urgently to insist that each one of you realize the heavy burden or responsibility upon you. \* \* \*

I do not invite a discussion of your respective claims and positions. I appeal to your patriotism, to the spirit that sinks personal considerations and makes individual sacrifices for the general good.

At the conclusion of the President's remarks Mr. Mitchell replied as follows:

Mr. President, I am much impressed with what you say. I am impressed with the gravity of the situation. We feel that we are not responsible for this terrible state of affairs. We are willing to meet the gentlemen representing the coal operators to try to adjust our differences among ourselves. If we cannot adjust them that way, Mr. President, we are willing that you shall name a tribunal who shall determine the issues that have resulted in this strike; and if the gentlemen representing the operators will accept the award or decision of such a tribunal, the miners will willingly accept it, even if it is against their claims.

The President then put an end to the interview and asked both parties to think over what he had stated and return in the afternoon. Upon reassembling the operators made long statements of their side of the case; but in reply to the President's inquiry whether they would accept Mr. Mitchell's proposition they answered "No." In response to a further question from the President they stated that they would have no dealings whatever with Mr. Mitchell looking toward a settlement of the question at issue and that they had no other proposition to make, save what was contained in the statement of Mr. Baer, which, in effect, was that if any man chose to resume work and had a difficulty with his employer, both should leave the settlement of the question to the judge of the court of common pleas of the district in which the mine was located.

In view of the growing public demand for the resumption of coal mining, however, the operators reconsidered their refusal to arbitrate their dispute with the miners, and a few days later proposed that it be settled by a commission of five, to be appointed by the President, and to be composed of an officer of the Army or Navy, an expert mining engineer, a United States circuit court judge from Pennsylvania, a sociologist, and a man who had been in the coal business. As the last-mentioned member would come from the ranks of the employers, the miners naturally demanded a modification of the operators' proposition, which should allow them a representative on the Commission.

When the Commission was appointed on October 16 it therefore consisted of six members, and by the subsequent addition of the United States Commissioner of Labor its final composition was as follows: Brig. Gen. John M. Wilson; Edward M. Parker, of the United States Geological Survey; Judge George Gray, of the United States circuit court of the eastern district of Pennsylvania; Bishop John L. Spaulding, of the Catholic Church; Thomas H. Watkins, a retired coal operator; Edgar E. Clark, chief of the Order of Railway Conductors, and Hon. Carroll D. Wright. On October 21 a convention of the miners voted to submit all the questions at issue to this commission and to resume work on October 23. The presidents of the anthracite coal roads agreed to

abide by the decision of the commission, and in the course of its proceedings the leading independent operators and the nonunion miners also became parties to the arbitration agreement, so that the board's awards, when announced on March 18, 1903, covered virtually the entire anthracite mining industry.

The four demands of the miners were for an increase of 20 per cent. in the piece rates paid to contract miners, the rates to be based on weight of the coal instead of the carload, a reduction of 20 per cent. (from ten to eight hours a day) in the hours of labor of workmen employed by the day, and the recognition of the union by the establishment of a joint trade agreement between the representatives of the employers and employed. The commission compromised on the matter of wages by awarding an increase of 10 per cent., with additional increases under a sliding-scale system when the market price of coal rose above the existing level; a reduction in hours from ten to nine; the establishment of a joint board of conciliation, representing employers and employed, to decide disputed questions during the life of the award (to March 31, 1906). The advance in wages took effect November 1, 1902.

Notwithstanding the importance of the wages question, the really fundamental point at issue was the recognition of the right of collective bargaining—that is, the right of the workingmen to combine and choose representatives to make an annual bargain or contract with the company officials (the representatives of the stockholders or employers) concerning the conditions of employment, as is the practice in the bituminous trade, on the great railway systems, and in large-scale manufacturing. While denying in terms the miners' demand for "the incorporation in an agreement between the United Mine Workers and the anthracite coal companies of the wages which shall be paid and the conditions of employment which shall obtain, together with satisfactory methods for the adjustment of grievances," the commission in effect sustained the miners by upholding the principle of collective bargaining and by establishing a joint board of arbitration, in which the representatives of the employees must inevitably be officers of the union.

Having thus vindicated the principles of unionism, the commission ruled that no operator should discriminate against union men in the matter of employment. It likewise ruled that union men should not discriminate against or interfere with nonunionists, pointing out that such discrimination on the part of either employer or employed constitutes a serious menace to the discipline of the miner, which, on account of the hazardous nature of the work, should be as nearly perfect as possible.

The right to strike the commission firmly upholds, but this does not include the right to persecute men who choose to work.

#### **Judge Gray on President Roosevelt in the Coal Strike.**

President Roosevelt's successful intervention in the coal strike met with the almost unanimous approval of the people, irrespective of their political affiliations. It was not until the commission's award had been made, and thought of the great disturbance nearly banished from the minds of the people, that criticism of his conduct, arising out of the resentment of the coal mine presidents and the desire to make political capital, began to appear, based on the allegation that his interference amounted to a modification of property rights. But the criticism was hushed almost as soon as it appeared by the declaration of Judge Gray, a member of the political party opposed to the President, that "the President's action, so far from interfering with or infringing upon property rights, tended to conserve them." Judge Gray's statement, which appeared in a New York City newspaper September 1, 1903, was as follows:

I have no hesitation in saying that the President of the United States was confronted in October, 1902, by the existence of a crisis more grave and threatening than any that had occurred since the civil war. I mean that the cessation of mining in the anthracite coal country, brought about by the dispute between the miners and those who controlled the greatest natural monopoly in this country and perhaps in the world, had brought upon more than one-half of the American people a condition of deprivation of one of the necessities of life, and the probable continuance of the dispute threatened not only the comfort and health, but the safety and good order of the nation. He was without legal or constitutional power to interfere, but his position as President of the United



States gave him an influence, a leadership, as first citizen of the Republic, that enabled him to appeal to the patriotism and good sense of the parties to the controversy and to place upon them the moral coercion of public opinion to agree to an arbitrament of the strike then existing and threatening consequences so direful to the whole country. He acted promptly and courageously, and in so doing averted the dangers to which I have alluded.

So far from interfering or infringing upon property rights, the President's action tended to conserve them. The peculiar situation as regards the anthracite coal interest was that they controlled a natural monopoly of a product necessary to the comfort and to the very life of a large portion of the people. A prolonged deprivation of the enjoyment of this necessary of life would have tended to precipitate an attack upon these property rights of which you speak, for, after all, it is vain to deny that this property, so peculiar in its conditions, and which is properly spoken of as "a natural monopoly," is affected with a public interest.

I do not think that any President ever acted more wisely, courageously, or promptly in a national crisis. Mr. Roosevelt deserves unstinted praise for what he did.

In the years that have gone by we have made the deed square with the word.—President Roosevelt's speech accepting 1904 nomination.

The credit of the Government, the integrity of its currency, and the inviolability of its obligations must be preserved.—President McKinley's inaugural.

It is better for this country to feed, clothe, and house our own labor in this country than to support foreign labor in other countries with our money.—H. K. Thurber.

You cannot afford to have the question raised every four years whether the nation will pay or repudiate its debts in whole or in part.—Hon. Wm. McKinley to delegation of farmers at Canton, September 22, 1896.

Abating none of our interest in the home market, let us move out to new fields steadily and increase the sale for our products in foreign markets.—President McKinley to Commercial Club, Cincinnati, Oct. 30, 1897.

The success of the United States in material development is the most illustrious of modern times. It is my deliberate judgment that the prosperity of America is due mainly to its system of protective laws.—Prince Bismarck.

We have established in the islands a government by Americans assisted by Filipinos. We are steadily striving to transform this into self-government by the Filipinos assisted by Americans.—President Roosevelt's speech accepting 1904 nomination.

A nation should never fight unless forced to; but it should always be ready to fight. The mere fact that it is ready will generally spare it the necessity of fighting.—From President Roosevelt's "Washington's forgotten maxim," American Ideals, p. 284.

We ask for a great navy, we ask for an armament fit for the nation's needs, not primarily to fight, but to avert fighting. Preparedness deters the foe and maintains right by the show of ready might without the use of violence.—From President Roosevelt's "Washington's forgotten maxim," American Ideals, p. 288.

Many of our great industries, including the silk industry, the pottery industry, the carpet industry, and the steel-rail industry, had only a nominal existence until adequately protective duties were imposed on competing foreign products.—James M. Swank, in the American Economist.

We should no sooner debase our currency than we should weaken our coast defenses. We should no more think of introducing unsound currency into our money system than we should think of weakening the steel armor plates upon our great battleships which are gallantly withstanding the storm of Spanish shot.—Hon. C. W. Fairbanks, in U. S. Senate, June 3, 1898.



## CHARLES WARREN FAIRBANKS.

Charles Warren Fairbanks, Senator from Indiana, is eighth in descent from Jonathan Fayerbanke, who settled at Dedham, Mass., in 1636. The Senator's father, Loriston Monroe Fairbanks, was a native of Vermont, but before reaching manhood, emigrated to Massachusetts. At Ware, in the Bay State, he worked in the woolen mills, but later he learned the wagon-maker's trade, and when he emigrated from Massachusetts to Union county, Ohio, it was to set up in the wagon-making business and farming.

### EARLY LIFE.

Senator Fairbanks' earliest recollections date from the log house in which he was born, on a farm in Union county, Ohio.

The Senator's boyhood life was such as fell to the average farmer boy. He was early taught the value of industry and frugality. He worked at farm work and attended the country schools during the brief terms until he reached the age of fifteen, when he went to the Ohio Wesleyan College. He learned his earliest lessons in Republican party principles under inspiring conditions. His father was an intense anti-slavery man, and gave employment and food and shelter to fugitive slaves. Charles was only eight years old when the Presidential campaign which resulted in the election of Abraham Lincoln occurred. A year later he witnessed the uprising of volunteers from among the farmers of the neighborhood in response to impassioned orations and the roll of the muster drum. With boyish wonder he saw the great panorama of war unfold. He heard the enthusiasm attending the enrollment of volunteers. He saw neighbor after neighbor step forward and subscribe his name to the scroll of immortal fame. He followed the crowd of enthusiastic advocates of the Union as they marched to the railroad station, and he heard the last farewell shouts which inspired the raw volunteers as they were borne away to the battlefields.

After leaving college, young Fairbanks went to Pittsburg, Pa., where for a time he acted as agent of the Associated Press, then in its infancy as a news collecting and distributing agency. In the campaign of 1872 he reported the great Democratic and liberal Republican rally at Pittsburg, at which Horace Greely made a remarkable speech. After remaining in Pittsburg for a year he went to Cleveland, Ohio, completed his law studies, and was admitted to the bar.

Having secured his admission to the bar, Mr. Fairbanks was married to Miss Cornelia Cole, of Marysville, O., and decided to locate in Indianapolis for the practice of law. He hung out his shingle in 1874.

### HIS PROFESSIONAL CAREER.

The early professional career of Charles W. Fairbanks was much the same as that of the average young lawyer. His first clients were some of his Ohio neighbors. He had no money except what came to him from his profession and it came slowly at first. He and his young wife began life in a boarding house. As the young lawyer's practice grew they furnished a modest home, and later moved into one of more pretentious architecture and costlier furnishings.

The years from 1874, when he first commenced the practice in Indianapolis, until he was elected to the Senate, were devoted by Mr. Fairbanks to law. His law library grew with his practice until it became one of the most extensive, best selected and most used of any in the middle West. Mr. Fairbanks' clientage grew proportionately. It included some of the leading business men of Boston, New York, and the large Eastern cities. His fees were unusually large for the lawyer of that day. Always a zealous Republican, Mr. Fairbanks found time from a busy professional career to take active part in every Republican campaign in Indiana. His counsel and assistance were sought by party leaders. Before he ever held office he had spoken in every county in Indiana, and was known personally to the voters throughout the State. He contributed freely of his time and money to the Republican cause. His speeches, like his other political services, were much in demand. Among the strong political friendships he

made in his early career in Indiana and which continued unbroken, was that with the Hon. Walter Q. Gresham.

#### IN NATIONAL POLITICS.

Senator Fairbanks' entry as a positive force in national Republican politics may be said to date from the St. Louis Republican convention of 1896. Mr. Fairbanks and Major McKinley had been friends of many years' standing. Both were Ohio born, both ardent members of the Methodist Episcopal Church, and in exact accord in their political views. In temperament their mutual friends believe they were much alike. Mr. Fairbanks was chosen as a delegate-at-large to the St. Louis convention, and soon afterward it was announced that Major McKinley, whose nomination was then a foregone conclusion, had invited Mr. Fairbanks to be temporary chairman of the convention. His speech as temporary chairman attracted wide attention.

The State of Indiana which in recent years had developed great industrial activity, particularly in the natural gas belt, showed an interest in the restoration of the protective tariff. The State was the center, also, of a strong gold Democratic propaganda. "Sound money and protection" were the watchwords employed by the Republicans that year to wrest the State, which had a Democratic Governor and two Democratic United States Senators, from the Democratic party. In this fight, which was made on the basis of a thorough political organization of the State, Mr. Fairbanks was easily leader. He returned from the St. Louis convention with additional political prestige, if possible, and his friends began the work of organizing the State in behalf of his Senatorial candidacy. The Republicans carried Indiana on national and State tickets that year by about 20,000. In the Republican caucus which followed in January, 1897, Mr. Fairbanks was nominated for United States Senator on the first ballot.

Senator Fairbanks went at once to the head of the Senate committee on immigration. The subject was one which had interested him for years. He felt there could be no more profitable study than that which concerned the character of immigration yearly pouring into this country to enter into the national life and be assimilated with its customs and habits into the nation's citizenship. To the study of this subject he gave the most earnest consideration, visiting the immigration stations of the country, and putting himself in daily touch with the officers charged with the responsibility of administering the immigration laws. The results of his research and labors took the form of a speech which was widely read and commended.

Although Senator Fairbanks afterward took a step higher to the chairmanship of the Committee on Public Buildings and Grounds, his interest in the immigration question has never abated.

In the agitation which preceded the declaration of war with Spain, Senator Fairbanks was one of the President's closest advisers. He was at the White House almost daily, participating, with other members of the administration, in conferences that lasted not infrequently far into the night, the purpose of which was, if possible, to devise some way to secure the amelioration of conditions in Cuba without bloodshed.

Senator Fairbanks was named by President McKinley as one of the American Commissioners of the United States and British Joint High Commission, and was Chairman of the American Commissioners. His service on that Commission is regarded by many as one of the most important and useful of his public acts.

The principal questions before the United States and British Joint High Commission, aside from the Alaska boundary question, were the proposed abrogation of the Rush-Bagot treaty of 1817, which prohibited the building or maintaining of war vessels above a certain tonnage, on the Great Lakes, the lake fisheries question and Canadian reciprocity.

Senator Fairbanks was invited by President McKinley at one time to become a member of his Cabinet.

Senator and Mrs. Fairbanks have always retained a lively interest in the prosperity of their alma mater, and the Senator has been for a number of years one of the trustees. Senator and Mrs. Fairbanks are members of the Meridian Street M. E. Church, of Indianapolis, and the Senator is a Trustee in the Church.



## THE PANAMA CANAL.

**The Course of the Administration Fully Justified—It Has Rendered Possible the World's Ambition of Centuries—A Record in Which Every American May Take Pride.**

Ever since the geographic formation of the connection between the two Americas became known, early in the sixteenth century, the merchants, statesmen, and intelligent people of the maritime nations of the world have dreamed of an interoceanic canal across Central America. Beginning in 1527 far-seeing men in Portugal, Spain, England, and other countries have proposed plans for a canal across some part of the Isthmus.

Early in the history of our own nation it was the subject of instructions to our delegates to the Panama Congress which was held in 1826. John Quincy Adams and Henry Clay were enthusiastic advocates of a "canal \* \* \* somewhere through the isthmus that connects the two Americas, to unite the Pacific and Atlantic oceans." It was the subject of a resolution of the Senate in 1835 asking the President to open negotiations with other nations looking to the protection of parties who might undertake to construct a ship canal across the Isthmus.

It was not, however, until December 12, 1846, that any effective action was taken on the subject. On that date was concluded at the solicitation of New Granada (now the Republic of Colombia) a treaty between the United States and that Republic, which is still in force. Article XXXV of that treaty is in part as follows:

"\* \* \* The Government of New Granada guarantees to the Government of the United States, that the right of way or transit across the *Isthmus of Panama* upon any modes of communication that now exist, or that may be hereafter constructed, shall be open and free to the Government and citizens of the United States, and for the transportation of any articles of produce, manufactures, or merchandise, of lawful commerce belonging to the citizens of the United States. \* \* \* And, in order to secure to themselves the tranquil and constant enjoyment of these advantages, and as an especial compensation for the said advantages and for the favors they have acquired by the 4th, 5th and 6th articles of this treaty, the United States guarantees positively and efficaciously to New Granada, by the present stipulation, the perfect neutrality of the before-mentioned isthmus, with the view that the free transit from the one to the other sea, may not be interrupted or embarrassed in any future time while this treaty exists; and in consequence, the United States also guarantee, in the same manner, the rights of sovereignty and property which New Granada has and possesses over the said territory."

### THE CLAYTON-BULWER STATUS.

At this time (1846) the canal was regarded as an enterprise to be undertaken by two or more governments. The idea of a canal under the exclusive control of the United States was not thought of, but it has been a gradual evolution corresponding to our growth as a nation. Indeed, when the treaty known as the Clayton-Bulwer treaty was concluded, April 19, 1850, it was stipulated therein that neither government would "ever obtain or maintain for itself any exclusive control over the said ship canal." And by the treaty all the other powers were invited to join in the agreements it contained. Feeling itself too weak as a nation to act alone, our Government sought by the said stipulation to prevent any scheme for a canal under the exclusive control of Great Britain.

It was not until long after our civil war—a struggle which strengthened and developed our national sinews and brought us to full political maturity—that the policy of exclusive American control was first adopted and was somewhat indefinitely outlined by President Hayes in his message to Congress.

It has taken years to remove the obstacles in the way of a realization of that policy. The two chief obstacles were, first, the treaty of 1850, which as a subsisting engagement the Government of the United States regarded itself in all good conscience and international honor bound to observe until it was



lawfully abrogated or superseded; and second, the fact that the French Panama Canal Company had secured a right of way, and in 1883 had begun to dig a canal. This obstacle was practically removed by the irretrievable financial collapse of that company in 1889, before the completion of the work. But the removal of the first-mentioned obstacle, the treaty of 1850, required the employment of diplomatic skill and ability, and it was very successfully accomplished by the negotiation of the treaty known as the Hay-Pauncefote treaty, signed November 18, 1901, by Mr. Hay and Lord Pauncefote, and ratified by the senate December 16, 1901, which stipulates in terms that it shall supersede the convention of the 19th of April, 1850, and agrees to the construction of the canal under the exclusive auspices of the Government of the United States.

#### COLOMBIA WHOLLY TO BLAME FOR HER LOSS.

The great obstacles to the construction of an interoceanic canal by the United States having been thus practically removed, through the medium of our diplomacy, and the Isthmian Canal Commission having reported in favor of the Panama route, our Government promptly entered into negotiations with the Republic of Colombia for the purpose of securing a right of way across the isthmus, and Colombia joined in the negotiation of such a treaty which was signed on January 22, 1903, and is known as the Hay-Herran treaty. It was promptly ratified by our Senate, and with every expectation that it would meet with similar action on the part of the Congress of Columbia, "the dream of the ages" seemed about to become potentially an accomplished fact. In this treaty the Government of the United States went to the limit of generosity and consideration for Colombia in agreeing to pay her \$10,000,000 down and \$250,000 per annum in perpetuity, since the payment of anything seemed an unjust exaction in view of the unmeasured benefits Colombia was to derive from the existence of a canal upon a small tract of otherwise worthless land, and in view of the countless millions the Government of the United States obligated itself to spend in building the canal, millions which would be permanently invested in that country. Colombia would have benefited more by the building of the canal than any other nation upon the earth. It would have afforded her incalculable opportunities for development and wealth.

She had already acknowledged the world's right of way to the United States by the treaty of 1846. But when the long-desired object was about to be definitely provided for, the Congress of Colombia in a spirit of greed made still larger demands of the United States, and, on refusal, adjourned October 31, without ratifying the treaty, though repeatedly warned of the probable course of Panama as the result of such action. A condition of affairs was thereby precipitated fraught with momentous consequences to Colombia and the world.

The State of Panama, whose future prosperity and development was vitally involved, faced the prospect of practical ruin. It was a matter of life and death. She had watched the course of the arrangements with eager interest. She was aware of the provisions of the Spooner Act, and that a failure on the part of the Colombian Government to ratify the treaty might necessitate a change to the Nicaragua route. The leaders in Panama with admirable foresight had provided for the possible contingency of a failure of the Colombian Congress to ratify the treaty, and the people of Panama, realizing what was at stake, by unanimous action arose on November 3, 1903, in revolt against the Government of Colombia, declared their independence, and established a de facto government. On the 13th of November the United States recognized the independence of the Republic of Panama by receiving a minister from the new Government.

Negotiations were promptly entered into between Mr. Hay and Mr. Bunau-Varilla, the new minister, for a treaty with the Republic of Panama. A treaty was drawn up on lines corresponding very closely to those in the Hay-Herran treaty, and was signed November 18, 1903, and ratified by the Senate February 23, 1904.

In the meantime the revolutionary leaders submitted their action to the people of Panama, who by a popular vote unan-

imously approved it, and by orderly procedure established a republican government.

#### RECOGNITION OF PANAMA.

Our recognition of the Republic of Panama was followed by that of France five days later, by China nine days later, and recognition by Austria, Germany, Denmark, Russia, Sweden and Norway, Belgium, Nicaragua, Peru, Cuba, Great Britain, Italy, Switzerland, Costa Rica, Japan, Guatemala. The Netherlands, Venezuela, and Portugal followed soon after in the order named.

In this way has been accomplished what would otherwise have been brought about, but for the obstinacy and greed of Colombia, in the ordinary course by the ratification of the Hay-Herran treaty by the Colombian Congress.

The course pursued by our Government in this matter has been the subject of criticism on the part of some of our citizens. The principal objections raised may be summarized as follows:

1st. That our Government was a party to the revolt of Panama against Colombia and incited or abetted it.

2d. That our Government showed undue haste in recognizing the independence of Panama and in entering into diplomatic relations with that republic.

3d. That the action of our Government was contrary to the fundamental principle regarding the right of a state to secede.

4th. That our Government took advantage of a weak state and that its action was contrary to international law and justice.

With regard to the first objection it seems sufficient to say that in view of the high and unsullied reputation of President Roosevelt and Secretary Hay, both in public and private life, for absolute integrity, straightforwardness, and veracity, the frank statement of the President in his message to Congress of January 4, 1904, that

"No one connected with this Government had any part in preparing, inciting, or encouraging the late revolution on the Isthmus of Panama, and that save from the reports of our military and naval officers given above, no one connected with this Government had any previous knowledge of the revolution except such as was accessible to any person of ordinary intelligence who read the newspapers and kept up a current acquaintance with public affairs,"

is entitled to full acceptance as answer to that objection.

To the second objection as to haste in recognizing the independence of Panama, it may be said that while the President's action was not without authoritative precedent, yet a state of facts existed which was so out of the ordinary as not to make it depend fully for justification upon precedent.

As to the principle of recognition it may be said generally that—

"1. Definitive independence cannot be held to be established, and recognition is consequently not legitimate so long as a substantial struggle is being maintained by the former sovereign state for the recovery of its authority; and that

"2. A mere pretension on the part of the formerly sovereign state, or a struggle so inadequate as to offer no reasonable ground for supposing that success may ultimately be obtained, is not enough to keep alive the rights of a state, and so to prevent foreign countries from falling under an obligation to recognize as a state a community claiming to have become one."

By the terms of the treaty of 1846 with New Granada the United States secured the right to a free and open transit across the Isthmus of Panama and assumed the responsibility of guaranteeing to New Granada the rights of sovereignty and property over that territory. This guaranty did not include protection against domestic revolution, but had reference to foreign powers. The real design was to assure the dedication of the Isthmus to the purposes of free and unobstructed interoceanic transit by means of a canal. The Government of Colombia had by its deliberate and willful action given Panama (originally an independent State and since 1855 an involuntary constituent of a loose confederation) just and lawful ground for revolt. The revolution was successful; the Government of Panama was in full possession and control of the Isthmus; the rights and responsibilities attaching to Colombia by the treaty of 1846 devolved upon the new Republic, and with no effective or adequate attempt on the part of Colombia to reassert its authority over Panama, the



question of allowing a longer or a shorter space of time to elapse before recognition was not of great importance. In the case of the Republic of Brazil recognition was accorded by Secretary Blaine two days after the abdication of the royal family.

#### THE CANAL MUST BE BUILT.

In considering his course of action the President was confronted by these three great facts: 1. That a canal was to be built. 2. That the United States was to build it. 3. That it was to be built across the Isthmus of Panama, according to the declared preference of Congress. Colombia had in effect deliberately closed her eyes to these facts. A new State had sprung into existence prepared to carry out what Colombia refused to do, and every consideration of national interest and safety justified the prompt recognition by our Government of this new Republic, for nothing is of greater importance or more essential to our commercial development than the construction of an interoceanic canal. Indeed it is a positive and vital necessity, not admitting of indefinite delay. Delay was inevitable if further negotiations were to be entered into with Colombia, in view of the revelations as to Colombia's intentions, made since the rejection of the Hay-Herran treaty. Her declared design was to delay further action until the expiration of the franchise of the New Panama Canal Company, October 31, 1904, to declare the same forfeited, and then to negotiate with the United States on a basis of complete ownership. Such a nefarious scheme could but result in indefinite delay, and would doubtless involve the United States in serious complications with France.

But recognition of Panama was above all justified by the undoubted interests of collective civilization. The nations have universally recognized the mandate laid upon our Government to build the canal, and this is evidenced by the promptness with which the powers have followed our example in recognizing Panama.

#### THE QUESTION OF SECESSION.

Those who see in the approval by this administration of the action of the State of Panama in withdrawing from the Colombian Federal Union a reversal of the attitude of our Government with regard to the secession of the Southern States, failed to discriminate between the two cases. They are in no wise parallel, for in the case of the Confederate States they claimed the right to secede for the purpose of maintaining human slavery, a practice which was almost universally repugnant to the moral sense of every civilized nation, while in the case of Panama she has suffered from oppression and spoliation to an extent almost beyond belief. The Government of Colombia cut off her rights and suppressed her liberties, robbed her of the privilege of electing her local officers, legislators, and judges; restricted the right of suffrage; falsified the count of votes; took away her right of law making; suppressed the liberty of thought and speech by violent, punitive measures, and put over her officers who sold justice and robbed her treasury. With such a state of affairs, who will question the right of Panama to revolt and assert her independence, especially in view of the fact that she had originally been independent and but for the treachery and superior force employed by the President of Colombia in 1885 she would still have been so?

By all the principles of justice among men and among nations that all governments should maintain, the revolutionists in Panama were right; the people of Panama were entitled to be free again; the Isthmus was theirs and they were entitled to govern it, and it would have been a shameful thing for the Government of the United States to return them again to servitude.

Certainly, therefore, this exception to the President's course is not well taken.

Was undue advantage taken of Colombia, and were the rules of international law and justice disregarded?

The history of our relations with that country for fifty years should be a sufficient answer to that question. Throughout this period the United States has repeatedly shown herself faithful to her obligations under the treaty of 1846; she has, sometimes at the request of Colombia and sometimes without it, enforced



peace upon the line of transit across the Isthmus at great cost and risk, and, by the distinct announcement of her protection and constantly increasing power, has formed an adequate barrier against foreign aggression upon the Isthmus. The unusual generosity shown Colombia in the matter of the proposed compensation to be given her by the Hay-Herran treaty and the ample guaranty given her for anything which she could by any color of title demand in that convention—all these things go to show that the United States has gone to the extreme limit of fairness and justice in its treatment of that Republic. The truth is that Colombia was in nominal possession of a tract of land which the Creator had designed as a natural passage for the world's waterway. Her sovereignty over it was qualified by the world's easement and all the rights necessary to make the easement effective, and was subject to limitations in its exercise by reason of the just interests of other nations. Colombia, or her predecessor, New Granada, had in effect recognized this fact in her treaty with the United States in 1846, and by that treaty the United States had become a guarantor of that right of way for the equal benefit of all nations; she had received a grant of power and assumed a duty herself to keep the transit free and uninterrupted. She also assumed the burden of protecting New Granada against an unjust exercise of the world's right of passage.

There is no doubt, therefore, that the United States would have been justified in proceeding to exercise the right which she possessed by reason of this treaty without regard to the acceptance or rejection of the Hay-Herran treaty, for Secretary Cass very clearly enunciated the principle governing in such cases when he said:

"Sovereignty has its duties as well as its rights, and none of these local governments, even if administered with more regard to the just demands of other nations than they have been, would be permitted, in a spirit of eastern isolation, to close the gates of intercourse on the great highways of the world, and justify the act by the pretension that these avenues of trade and travel belong to them and that they choose to shut them, or, what is almost equivalent, to encumber them with such unjust relations as would prevent their general use."

That principle is sound, and this Government was required to take a stand upon it or abandon the canal. Colombia had willfully disregarded the principle and stood as a bar to the world's progress and the exercise of our just rights.

#### PANAMA THE TRUE OWNER OF THE ISTHMUS.

The State of Panama by the exercise of an undoubted right and by a peaceful and successful revolution become the real owners of the canal route, which was theirs originally, and was in a position to afford to the United States an opportunity to carry out the mandate of the nations and fulfill the trust she held. The vital question, then, for our Government to decide was whether it should treat with the true owner of the Isthmus—for the State of Panama in confederating with the Republic of Colombia under the constitution of 1863 had not parted with its title to its substantial rights, and she had said to the United States, "Recognize our independence, and the treaty follows, of course, for the building of the canal is our dearest hope"—or whether we should continue to treat indefinitely with the Republic of Colombia, which was only a trustee for the people of the Isthmus and had proved faithless to its trust.

Our Government did not hesitate in making its decision. Its course was plain and the American people have already come to the conclusion that the decision of our President and the Secretary of State and the Senate was a righteous decision.

By the exercise of foresight, prompt decision, and an undoubted public duty the administration has brought to the point of actual commencement a project which the world has anticipated for four hundred years and which is of the most stupendous importance to our country as well as to the nations of the earth. It marks a new era in the world's history and will eventually revolutionize the commerce of the world.

#### THE GREAT ADVANTAGES OF THE CANAL.

The advantages to flow from it are too numerous to enumerate, but a few of them may be outlined as follows:

The most obvious advantage of the Panama Canal is, of course, the immense saving of distances for sea-borne traffic from Atlantic ports of the United States and from the western coast of the Eastern Hemisphere to the Pacific Ocean. At present such traffic has to reach the Pacific by way of the Suez Canal or the Cape of Good Hope, or by the long and dangerous journey around Cape Horn, or by transshipment to railroad systems crossing Canada, the United States, and the Isthmus of Panama. While points in the Pacific most distant from the United States would still be reached more expeditiously from Europe via Suez, the whole Pacific coast from Alaska to Patagonia would be brought much nearer for an all-sea route to Europe as well as the Atlantic and Gulf seaboard of the United States. The entire region of the Gulf of Mexico would be supplied for the first time with a direct, unbroken carriage by sea by the shortest line with the whole Pacific coast of South and Central America, Mexico, and the United States.

The Hawaiian and Philippine Islands, our possessions in the Pacific, would be accessible to the eastern and southern portions of the United States by a continuous sea route, the connecting link of which across the Isthmus of Panama would be in American hands and controlled by American influences, without the danger of interruption by a conflict of interest that might arise in relation to a canal like that of Suez, which is located in the Old World and therefore inevitably exposed to the play of Old World rivalries. The canal would promote an enormous development of our industries—agricultural, mineral, lumbering, and manufacturing—in all sections. It would help to develop and make available the extensive natural resources of the Pacific States and increase our trade with the Orient. Its advantage from a military point of view cannot be overestimated. For table giving distances between United States ports and those of Asia by Panama and Suez, respectively, see index.

This subject of the Panama matter in all its forms is fully discussed in the speeches delivered in Congress printed in the document "Pages from the Congressional Record," which also contains President Roosevelt's messages on this subject. This document can be obtained by application to the Republican National Committee and should be examined by those desiring to thoroughly study this and other subjects likely to be discussed in the present campaign.

#### MANY DEMOCRATIC VOTES CAST IN SUPPORT OF THE TREATY.

While the Democrats under the lead of Senator Gorman criticised the treaty in the beginning they were unable to withstand the overwhelming public sentiment in its favor, and practically one-half of the Democratic Senators are understood to have voted for its ratification. The vote on ratification was in Executive Session, but the result and the details soon became known, and were reported in the New York Tribune of February 24 as follows:

"Fourteen Democrats voted for ratification and fourteen against. Two Democrats—Clark, of Montana, and Stone, of Missouri—were paired in favor of the treaty, and three Democrats—Overman, McLaurin and Martin—were paired against it, so in the total vote sixteen Democrats were for the treaty and seventeen against it. The Democrats who were present and voted for the treaty were Bacon, Berry, Clarke, of Arkansas; Clay, Cockrell, Foster, of Louisiana; Gibson, Latimer, McCreary, McEnery, Mallory, Money, Simmons and Taliaferro."

#### **"President Roosevelt Could Take no Other Course Than to Recognize the New Government of Panama."**

[Extracts from the remarks of Hon. Shelby M. Cullom of Illinois, in daily Congressional Record, February 22, 1904.]

Mr. Cullom. Mr. President, I do not feel like allowing the discussion in the Senate on the general question of a treaty with the Republic of Panama and the conditions, history, and law, national and international, involved, to pass without asking the attention of the Senate for a little while on this general subject.

The Isthmian Canal Commission, authorized by Congress to make the investigation, reported in favor of the Panama route. The Spooner Act was passed, and the President under authority of that act negotiated a treaty with Colombia. That treaty was promptly and almost unanimously ratified by the United States Senate, sent to Colombia March 18, 1903, where it was unanimously



rejected by the Colombian Congress with very little consideration on October 18, 1903, and on October 31 the Colombian Congress adjourned. \* \* \* On November 3, three days after the Colombian Congress adjourned, Panama seceded and peaceably regained her independence.

The secession of Panama could not have been a surprise to either the Colombian Government or to the United States. The correspondence shows that Senator Obaldia, a prominent Senator from the State of Panama, openly declared that should the canal treaty be rejected Panama would secede and would be right in doing so. \* \* \*

All of the correspondence in possession of the Executive Departments has been laid before the Senate, either in open or executive session. There has been no concealment on the part of the Executive. That correspondence has been gone into in considerable detail here, and there is not one particle of evidence to show that any officer of the United States encouraged or instigated the revolution. \* \* \*

There was no resistance to the revolution by Colombia, and on November 4 the three consuls, constituting the provisional government of Panama, notified the Secretary of State officially that in consequence of a popular and spontaneous movement of the people of Panama, the independence of the Isthmus was proclaimed and the Republic of Panama instituted and a provisional government organized. An envoy extraordinary and minister plenipotentiary was later appointed by the new Government of Panama to the United States. On November 6 our consul at Panama notified the State Department that the situation was peaceful, that the movement was a success, and that no Colombian soldiers were on Isthmian soil. After receiving that message on November 6, our consuls at Panama and Colon were instructed to recognize the new Government of Panama.

I will not go into the correspondence pertaining to this revolution further at this time; but, in my judgment, that correspondence shows that President Roosevelt could take no other course, under the circumstances, than to recognize the new Republic.

There were no Colombian officials in charge on the Isthmus, and if we did not recognize the new government there would have been no government at all on the Isthmus to which we could look for the protection of our citizens and their property. \* \* \*

Every act of our Executive, every order given to the commanders of our vessels of war during and after this revolution, has been justified by our treaty of 1846.

The treaty, entered into in 1846 with the end in view of the construction of a canal or railroad across the Isthmus, as is shown in President Polk's message, in article 35 provides:

"The United States guarantee positively and efficaciously to New Granada the perfect neutrality of the before-mentioned Isthmus with the view that the free transit from one to the other sea may not be interrupted or embarrassed in any future time while this treaty exists."

This treaty was made in 1846 and still continues in full force. It has survived a number of revolutions. New Granada has become the Republic of Colombia. One revolution has succeeded another, placing different parties in control, but the treaty has remained and has been recognized by every succeeding government, and the United States has a number of times exercised its right under Article XXXV to keep the Isthmus open.

The treaty of 1846 continues in force even though the State of Panama has seceded from the Republic of Colombia. No longer binding upon Colombia, after she lost her sovereignty over the territory to which Article XXXV refers, it is now binding and its rights and obligations have succeeded to the new Republic of Panama. In other words, the thirty-fifth article of the treaty of 1846 is binding and descends to any government which exercises sovereignty over the Isthmus of Panama. \* \* \*

Without our aid the people of the Isthmus have declared and regained their independence and have set up a government of their own; no warfare exists, and peace prevails. Under these circumstances it could not be expected that the United States would forcibly overthrow this new Republic or would permit a civil war to be waged on the Isthmus.

### **"The President Would Have Been Censurable if He Had Not Taken Every Precaution on the Isthmus."**

[Extracts from remarks of Hon: Henry Cabot Lodge of Massachusetts, in daily Congressional Record, January 5, 1904.]

All the world knew last summer that there was revolution impending. The correspondent of the New York Evening Post for December 8 says that they were planning revolution in Panama early in May. I happened to be out of the country, seeing only foreign newspapers in London and elsewhere, but it was a matter of common knowledge there in Europe and England that revolution was impending in Panama if the treaty was not agreed to.

That knowledge, of course, came to the Executive. He had information also from our naval and military officers, which has been cited in his message. It was his business to keep informed, but the fact of information does not imply assurances or connivance, and the insinuations of connivance and incitement have already been denied in a manner which requires neither repetition nor support from me or anyone else. The President would have been



in the highest degree censurable if he had not taken every proper precaution to prepare for the event which the reports of the disturbance on the Isthmus suggested. He was bound to carry out the provisions of the treaty of 1846. We have always construed that treaty to mean that we were charged with the responsibility of keeping open the transit across the Isthmus; that we were not charged with the duty of enforcing the power of Colombia if there was a revolt; that we were there to protect it against foreign aggression, but that our primary duty was to keep it open and uninterrupted.

All this information had come in upon the President, and he had as in duty bound considered it and watched events. Finally there came what constitutes the first act of our Government. There came news that Colombia was about to land a force of 6,000 men at Colon, and the Acting Secretary of the Navy on November 2 sent this dispatch:

"Maintain free and uninterrupted transit. If interruption threatened by armed force, occupy the line of railroad. Prevent landing of any armed force with hostile intent, either Government or insurgent, either at Colon, Porto Bello, or other point. Send copy of instructions to the senior officer present at Panama upon arrival of Boston. Have sent copy of instructions and have telegraphed Dixie to proceed with all possible dispatch from Kingston to Colon. Government force reported approaching the Isthmus in vessels. Prevent their landing if in your judgment this would precipitate a conflict. Acknowledgment is required."

That was the first step. The next day, November 3, a press bulletin having announced an outbreak on the Isthmus, the Acting Secretary of State telegraphed to the consul at Panama:

"Uprising on Isthmus reported. Keep Department promptly and fully informed."

The reply goes back that there was no uprising, that it was expected that night. Within a short time, a little more than an hour, came the dispatch:

"Uprising occurred to-night, 6; no bloodshed," etc.

Mr. President, the preparations that have been very largely talked about, and which I have no doubt were adequately made, really resulted in the presence of one vessel of war at Colon. We landed from that vessel forty-two sailors and marines. The landing party was commanded with judgment. The captain of the Nashville showed the utmost discretion and firmness. He prevented with an even hand either party from using the railroad. He prevented bloodshed. He kept peace on the Isthmus.

Now, Mr. President, the President has been assailed for landing troops. He has landed no troops. Some sailors and some marines have been landed, and he has been charged with having made war by that act of recognition and by the landing of the forces of the United States.

It is perfectly certain, Mr. President, that the act of recognition by all the best authorities is held not to be in itself an act of war. As for the landing of those sailors and marines to keep order, we have done it over and over again. We did it in 1900; we did it in 1901; we did it in 1902. \* \* \*

The United States recognized Panama on November 13, then France, China, Austria-Hungary, Germany, Denmark, Russia, Sweden and Norway, Belgium, Nicaragua, Peru, Cuba, Great Britain, Italy, Japan, Costa Rica, and Switzerland.

List of Governments which have recognized the independence of Panama with dates of recognition:

United States .....	Nov. 13, 1903	Nicaragua .....	Dec. 15, 1903
France .....	Nov. 16, 1903	Peru .....	Dec. 19, 1903
China .....	Nov. 26, 1903	Cuba .....	Dec. 23, 1903
Austria-Hungary ..	Nov. 27, 1903	Great Britain.....	Dec. 24, 1903
Germany .....	Nov. 30, 1903	Italy .....	Dec. 24, 1903
Denmark .....	Dec. 3, 1903	Japan .....	Dec. 28, 1903
Russia .....	Dec. 6, 1903	Costa Rica.....	Dec. 28, 1903
Sweden and Norway.	Dec. 7, 1903	Switzerland .....	Dec. 28, 1903
Belgium .....	Dec. 9, 1903		

Those recognitions indicate that the rest of the civilized world do not think it was a very unreasonable thing for us to have recognized that new Republic quickly.

### "The Panama Canal."

[Extracts from an address by Hon. Elihu Root, at Chicago, February 22, 1904, printed in Congressional Record, June, 1904.]

Reluctantly, and with a sense that it was unjust exaction, the United States agreed to pay \$10,000,000 down, and \$250,000 per annum in perpetuity—substantially the entire amount exacted by Colombia. We were not going into the enterprise to make money, but for the common good. We did not expect the revenues of the canal to repay its cost, or to receive any benefit from it, except that which Colombia would share to a higher degree than ourselves. \* \* \*

The concessions made in the treaty to the Government of Colombia, however, seemed merely to inspire in that Government a belief that there was no limit to the exactions which they could successfully impose. They demanded a further \$10,000,000 from the Panama Canal Company, and upon its refusal they rejected the treaty.

This rejection was a substantial refusal to permit the canal to be built. It appears that the refusal contemplated not merely further exactions from us, but the spoliation of the canal company. That company's current franchise was limited by its terms to the 31st day of October, 1904. There was an extension for six years granted by the President and for which the company had paid 5,000,000 francs. These patriots proposed to declare the extension void and the franchise ended and to confiscate the \$40,000,000 worth of property of the company and take from the United States for themselves, in payment for it, the \$40,000,000 we had agreed to pay the company. \* \* \*

By becoming a party to this scheme we might indeed have looked forward to the time when, the appetite of Columbia being satisfied at the expense of the unfortunate stockholders of the French company, we could proceed with the work, but such a course was too repugnant to the sense of justice that obtains in every civilized community to be for a moment contemplated. We had yielded to the last point beyond reason and justice in agreeing to pay for a privilege to which we were already entitled, and we could not with self-respect submit to be mulcted further. We could negotiate no further. Rejection of the treaty was practically a veto of the canal. \* \* \*

These were the conditions existing when the revolution of November 3 happened. To an understanding of that revolution a knowledge of the character and history of Panama is essential. Some uninformed persons have assumed that it was merely a number of individual citizens of Colombia living in the neighborhood of the proposed canal who combined to take possession of that part of Colombian territory and set up a government of their own. No conception could be more inadequate. The sovereign State of Panama was an organized civil society possessed of a territory extending over 400 miles in length, from Costa Rica on the west to the mainland of South America on the east. It had a population of over 300,000. \* \* \*

The people of Panama were the real owners of the canal route; it was because their fathers dwelt in the land, because they won their independence from Spain, because they organized a civil society there, that it was not to be treated as one of the waste places of the earth. They owned that part of the earth's surface just as much as the State of New York owns the Erie Canal. When the sovereign State of Panama confederated itself with the other States of Colombia under the constitution of 1863 it did not part with its title or its substantial rights, but constituted the Federal Government its trustee for the representation of its rights in all foreign relations and imposed upon that Government the duty of protecting them. The trustee was faithless to its trust; it repudiated its obligations without the consent of the true owner; it seized by the strong hand of military power the rights which it was bound to protect; Colombia itself broke the bonds of union and destroyed the compact upon which alone depended its right to represent the owner of the soil.

The question for the United States was, Shall we take this treaty from the true owner or shall we take it from the faithless trustee, and for that purpose a third time put back the yoke of foreign domination upon the neck of Panama, by the request of that Government which has tried to play toward us the part of the highwayman? There was no provision of our treaty with Columbia which required us to answer to her call, for our guaranty of her sovereignty in that treaty relates solely to foreign aggression. There was no rule of international law which required us to recognize the wrongs of Panama or the justice of her cause, for international law does not concern itself with the internal affairs of state. But I put it to the conscience of the American people, who are passing judgment upon the action of their government, whether the decision of our President and Secretary of State and Senate was not a righteous decision.

By all the principles of justice among men and among nations that we have learned from our fathers, and all peoples and all governments should maintain, the revolutionists in Panama were right, the people of Panama were entitled to be free again, the isthmus was theirs, and they were entitled to govern it; and it would have been a shameful thing for the Government of the United States to return them again to servitude.

It is hardly necessary to say now that our Government had no part in dividing, fomenting, or bringing about the revolution on the Isthmus of Panama. President Roosevelt said in his message to Congress of January 4, 1904:

"I hesitate to refer to the injurious insinuations which have been made of complicity by this Government in the revolutionary movement in Panama. They are as destitute of foundation as of propriety. The only excuse for my mentioning them is the fear of unthinking persons might mistake for acquiescence the silence of mere self-respect. I think proper to say, therefore, that no one connected with this Government had any part in preparing, inciting, or encouraging the late revolution on the Isthmus of Panama, and that, save from the reports of our naval and military officers, given above, no one connected with this Government had any previous knowledge of the revolution except such as was accessible to any person of ordinary intelligence who read the newspapers and kept up a current acquaintance with public affairs."

The people of the United States, without distinction of party, will give to that statement their unquestioning belief.

**"The Panama Question Transcends the Narrow Bounds of Party."**

[Extract from remarks of Hon. C. W. Fairbanks of Indiana, in daily Congressional Record, February 2, 1904.]

There are several conclusions which the record seems to establish. They may be summarized thus:

The revolution of the people of Panama was due to a long series of wrongs inflicted upon them by the Government at Bogota, and more particularly to the rejection of the Hay-Herran treaty.

The revolution was initiated by the people of Panama and was not inspired by the United States.

It was the duty of the President to adopt such measures as he deemed necessary to preserve the freedom of transit across the Isthmus and to protect the lives and property of American citizens, and of citizens of other countries upon the line of transit.

The independence of Panama was accomplished by the people of the Isthmus.

There was no vessel or armed force of the United States at the city of Panama, and only one vessel, the Nashville, third rate, at Colon; only 42 marines were landed at Colon. They were landed to protect the lives of American citizens who were in serious and imminent peril and were returned to the ship after accomplishing their purpose.

The President recognized the fact that Panama had secured her independence three days after the revolution.

In recognizing the independence of the new Republic the President acted solely within his constitutional rights. The duty of recognition rested upon him, and having exercised it his act became binding upon the United States.

The independence of the Republic of Panama was recognized by France and many other powers soon after recognition by the United States.

Within eight days after the recognition of the new Republic she signed a treaty with the United States, through here accredited minister to Washington, granting to the United States the requisite concessions for an isthmian canal.

When the Republic of Panama concluded the treaty with the United States she was in the exercise of sovereign power. She was discharging fully her domestic and international functions and had full capacity to enter into a valid convention with the United States.

Under the treaty of 1846 the United States obtained rights and incurred obligations in Panama. She obtained the right of free transit across the Isthmus and the right to preserve the freedom of such transit. She also guaranteed in consideration of this right and other privileges the sovereignty of the government in Panama. By the transfer of sovereignty upon the Isthmus to the Republic of Panama, the obligation to guarantee her sovereignty against foreign aggression rests upon the United States.

If the new treaty with the Republic of Panama is ratified by the Senate, the United States will obtain adequate concessions, rights, and privileges for the construction and perpetual maintenance of an isthmian canal.

Mr. President, I have endeavored to consider only the more salient features of the Panama question, and those which appear to me to be controlling. Much more might be said, but there would appear to be little profit in unduly prolonging the discussion. In one form or another the isthmian canal question has been under consideration for several centuries. The time for decisive action has come. We have but to call the roll of the Senate upon the treaty with Panama and we will instantly set in motion the machinery which will soon accomplish the great desire.

Others have said that this is an American question, and so it is. It transcends the narrow bounds of party. It is as wide as the ample limits of the Republic.

Who doubts in the present condition of affairs that the Panama Canal will be built? It will have back of it the best pledge any vast undertaking can have, for it will have the assurance of the United States. What we say for and against it will swiftly fade away and be gone forever, but the canal—the rich fruit of four centuries of hope and human effort, the colossal tribute of our people to the commerce of the world—will stand. Yes, we can well believe that it will survive the pyramids.

**"Panama—The Insinuations of Complicity are Destitute of Foundation."**

[Extract from message of President Roosevelt, in daily Congressional Record, January 4, 1904.]

To the Senate and House of Representatives:

I lay before the Congress for its information a statement of my action up to this time in executing the act entitled "An act to provide for the construction of a canal connecting the waters of the Atlantic and Pacific oceans," approved June 28, 1902.

By the said act the President was authorized to secure for the United States the property of the Panama Canal Company and the perpetual control of a strip six miles wide across the Isthmus of Panama. It was further provided that "should the President be



unable to obtain for the United States a satisfactory title to the property of the New Panama Canal Company and the control of the necessary territory of the Republic of Colombia \* \* \* within a reasonable time and upon reasonable terms, then the President" should endeavor to provide for a canal by the Nicaragua route. \* \* \*

When this Government submitted to Colombia the Hay-Herran treaty three things were, therefore, already settled. One was that the canal should be built. \* \* \* Second. While it was settled that the canal should be built without unnecessary or improper delay, it was no less clearly shown to be our purpose to deal not merely in a spirit of justice but in a spirit of generosity with the people through whose land we might build it. \* \* \* Third. Finally the Congress definitely settled where the canal was to be built. It was provided that a treaty should be made for building the canal across the Isthmus of Panama; and if, after reasonable time, it proved impossible to secure such treaty, that then we should go to Nicaragua. \* \* \*

When in August it began to appear probable that the Columbian Legislature would not ratify the treaty, it became incumbent upon me to consider well what the situation was and to be ready to advise the Congress as to what were the various alternatives of action open to us. There were several possibilities. One was that Colombia would at the last moment see the unwisdom of her position. \* \* \* A second alternative was that by the close of the session on the last day of October, without the ratification of the treaty by Colombia and without any steps taken by Panama, the American Congress on assembling early in November would be confronted with a situation in which there had been a failure to come to terms as to building the canal along the Panama route, and yet there had not been a lapse of a reasonable time—using the word reasonable in any proper sense—such as would justify the Administration going to the Nicaragua route. \* \* \* A third possibility was that the people of the Isthmus, who had formerly constituted an independent state, and who until recently were united to Colombia only by a loose tie of federal relationship, might take the protection of their own vital interests into their own hands, reassert their former rights, declare their independence upon just grounds, and establish a government competent and willing to do its share in this great work for civilization. This third possibility is what actually occurred. Everyone knew that it was a possibility, but it was not until towards the end of October that it appeared to be an imminent probability. Although the Administration, of course, had special means of knowledge, no such means were necessary in order to appreciate the possibility, and toward the end of the likelihood, of such a revolutionary outbreak and of its success. It was a matter of common notoriety. Quotations from the daily papers could be indefinitely multiplied to show this state of affairs. \* \* \*

In view of all these facts I directed the Navy Department to issue instructions such as would insure our having ships within easy reach of the Isthmus in the event of need arising. \* \* \* On November 2 when, the Colombian Congress having adjourned, it was evident that the outbreak was imminent, and when it was announced that both sides were making ready forces whose meeting would mean bloodshed and disorder, the Colombian troops having been embarked on vessels, the following instructions were sent to the commanders of the Boston, Nashville, and Dixie:

"Maintain free and uninterrupted transit. If interruption is threatened by armed force, occupy the line of railroad. Prevent landing of any armed force with hostile intent, either Government or insurgent, at any point within 50 miles of Panama. Government force reported approaching the Isthmus in vessels. Prevent their landing if, in your judgment, the landing would precipitate a conflict."

These orders were delivered in pursuance of the policy on which our Government had repeatedly acted. \* \* \*

On November 3 Commander Hubbard responded to the above-quoted telegram of November 2, 1903, saying that before the telegram had been received 400 Columbian troops from Cartagena had landed at Colon; that there had been no revolution on the Isthmus, but that the situation was most critical if the revolutionary leaders should act. On this same date the Associated Press in Washington received a bulletin stating that a revolutionary outbreak had occurred. When this was brought to the attention of the Assistant Secretary of State, Mr. Loomis, he prepared the following cablegram to the consul-general at Panama and the consul at Colon:

"Uprising on Isthmus reported. Keep Department promptly and fully informed."

Before this telegram was sent, however, one was received from Consul Malmros at Colon, running as follows:

"Revolution imminent. Government force on the Isthmus about 500 men. Their official promised to support revolution. Fire department, Panama, 441, are well organized and favor revolution. Government vessel Cartagena, with about 400 men, arrived early to-day with new commander-in-chief, Tobar. Was not expected until November 10. Tobar's arrival is not probable to stop revolution."

This cablegram was received at 2:35 p. m., and at 3:40 p. m. Mr. Loomis sent the telegram which he had already prepared to both Panama and Colon. Apparently, however, the consul-general at Panama had not received the information embodied in the Associated Press bulletin, upon which the Assistant Secretary of State based his dispatch; for his answer was that there was no uprising,

although the situation was critical, this answer being received at 8:15 p. m. Immediately afterwards he sent another dispatch, which was received at 9:50 p. m., saying that the uprising had occurred, and had been successful, with no bloodshed. The Columbian gunboat Bogota next day began to shell the city of Panama, with the result of killing one Chinaman. The consul-general was directed to notify her to stop firing. Meanwhile, on November 4, Commander Hubbard notified the Department that he had landed a force to protect the lives and property of American citizens against the threats of the Colombian soldiery.

Before any step whatever had been taken by the United States troops to restore order, the commander of the newly landed Colombian troops had indulged in wanton and violent threats against American citizens, which created serious apprehension. As commander Hubbard reported in his letter of November 5, this officer and his troops practically began war against the United States, and only the forbearance and coolness of our officers and men prevented bloodshed. \* \* \*

This plain official account of the occurrences of November 4, shows that, instead of there having been too much provision by the American Government for the maintenance of order and the protection of life and property on the Isthmus, the orders for the movement of the American war ships had been too long delayed; so long, in fact, that there were but forty-two marines and sailors available to land and protect the lives of American men and women. It was only the coolness and gallantry with which this little band of men wearing the American uniform faced ten times their number of armed foes, bent on carrying out the atrocious threat of the Colombian commander, that prevented a murderous catastrophe. At Panama, when the revolution broke out, there was no American man-of-war and no American troops or sailors. At Colon, Commander Hubbard acted with entire impartiality toward both sides, preventing any movement, whether by the Colombians or the Panamans, which would tend to produce bloodshed. On November 9 he prevented a body of the revolutionists from landing at Colon. Throughout he behaved in the most creditable manner. \* \* \*

I hesitate to refer to the injurious insinuations which have been made of complicity by this Government in the revolutionary movement in Panama. They are as destitute of foundation as of propriety. The only excuse for my mentioning them is the fear lest unthinking persons might mistake for acquiescence the silence of mere self-respect. I think proper to say, therefore, that no one connected with this Government had any part in preparing, inciting, or encouraging the late revolution on the Isthmus of Panama, and that save from the reports of our military and naval officers given above, no one connected with this Government had any previous knowledge of the revolution except such as was accessible to any person of ordinary intelligence who read the newspapers and kept up a current acquaintance with public affairs.

By the unanimous action of its people, without the firing of a shot—with a unanimity hardly before recorded in any similar case—the people of Panama declared themselves an independent Republic. Their recognition by this Government was based upon a state of facts in no way dependent for its justification upon our action in ordinary cases. I have not denied, nor do I wish to deny, either the validity or the propriety of the general rule that a new state should not be recognized as independent till it has shown its ability to maintain its independence. This rule is derived from the principle of non-intervention, and as a corollary of that principle has generally been observed by the United States. But, like the principle from which it is deduced, the rule is subject to exceptions; and there are in my opinion clear and imperative reasons why a departure from it was justified and even required in the present instance. These reasons embrace, first, our treaty rights; second, our national interests and safety; and, third, the interests of collective civilization. \* \* \*

That our position as the mandatary of civilization has been by no means misconceived is shown by the promptitude with which the powers have, one after another, followed our lead in recognizing Panama as an independent State. Our action in recognizing the new Republic has been followed by like recognition on the part of France, Germany, Denmark, Russia, Sweden and Norway, Nicaragua, Peru, China, Cuba, Great Britain, Italy, Costa Rica, Japan, and Austria-Hungary.

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**The man who tills his own farm, whether on the prairie or in the woodland, the man who grows what we eat and the raw material which is worked up into what we wear, still exists more nearly under the conditions which obtained when the "embattled farmers" of '76 made this country a nation than is true of any others of our people.—President Roosevelt at Sioux Falls, S. Dak., April 6, 1903.**

**We are not disposed to disturb the international peace, and we do not seek to interfere with the domestic affairs of other powers. While we are obliged to play a greater part in the affairs of the world than when Washington spoke, there is the same good reason for avoiding entangling alliances as then.—Hon. C. W. Fairbanks, at anniversary of Battle of Monmouth, Freehold, N. J., June 27, 1903.**



**Letter of the President Placing the Isthmian Canal Commission Under the Supervision and Direction of the Secretary of War Etc.**

WHITE HOUSE,

Washington, D. C., May 9, 1904.

Sir: By the act of Congress approved June 28, 1902, the President of the United States is authorized to acquire for and on behalf of the United States all the rights, privileges, franchises, concessions, grants of lands, rights of way, unfinished work, plants, shares of the capital stock of the Panama Railway, owned by or held for the use of the new Panama Canal Company, and any other property, real, personal, and mixed of any name or nature owned by the said new Panama Canal Company situated on the Isthmus of Panama. The President is by the same act also authorized to acquire for and on behalf of the United States, perpetual control of a strip of land on the Isthmus of Panama, not less than six miles in width, extending from the Caribbean Sea to the Pacific Ocean, and the right to excavate, construct, and maintain perpetually, operate and protect thereon, a ship canal of certain specified capacity, and also the right to perpetually operate the Panama Railroad. Having acquired such rights, franchises, property, and control, the President is by the same act required to excavate, construct, and complete a ship canal from the Caribbean Sea to the Pacific Ocean, and to enable him to carry forward and complete this work, he is authorized to appoint, by and with the consent of the Senate, an Isthmian Canal Commission of seven members, who are to be in all matters subject to his direction and control.

By the terms of the canal convention between the United States and the Republic of Panama, entered into in pursuance of the said act of Congress approved June 28, 1902, the ratifications of which were exchanged on the 26th day of February, 1904, the Republic of Panama granted to the United States:

First, the perpetual use, occupation, and control of a certain zone of land, land under water including islands within said zone, at the Isthmus of Panama, all to be utilized in the construction, maintenance and operation, sanitation and protection of the ship canal, of the width of ten miles, extending to the distance of five miles on each side of the central line of the route of the canal, and the use, occupation, and control of other lands and waters outside of the zone above described which may be necessary and convenient for the construction, maintenance, operation, sanitation, and protection of said canal or of any auxiliary canals or other works necessary and convenient for the same purpose; also the islands of Perico, Naos, Culebra, and Flamenico, situated in the Bay of Panama; and

Second, all the rights, powers, and authority within the zone, auxiliary lands and lands under water, which the United States would possess and exercise if it were the sovereign of the territory granted, to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power, and authority.

By the act of Congress approved April 28, 1904, the President is authorized, upon acquisition of the property of the new Panama Canal Company, and the payment to the Republic of Panama of the price for the compensation agreed upon in the said canal convention, to take possession of and occupy on behalf of the United States the zone of land, and land under water including islands within said zone, at the Isthmus of Panama of the width of ten miles, extending to the distance of five miles on each side of the central line of the route of the canal to be constructed thereon, including the islands of Perico, Naos, Culebra, and Flamenico, and from time to time as may be necessary and convenient certain auxiliary lands and waters outside the said zone for the purpose of constructing, maintaining, operating, sanitating, and protecting the ship canal, the use, occupation, and control whereof were granted to the United States by the Republic of Panama in the said canal convention.

By the same act, the President is authorized, for the purpose of providing temporarily for the maintenance of order in the canal zone and for maintaining and protecting the inhabitants thereof in the free enjoyment of their liberty, property, and religion, to delegate such person or persons as he may designate and to control the manner of their exercise, all the military, civil, and judicial powers, as well as the power to make all needful rules and regulations for the government of the canal zone and all the rights, powers and authority granted by the said Canal Convention to the United States, until the close of the Fifty-eighth Congress.

Payments of the authorized purchase price of \$40,000,000 to the new Panama Canal Company for the property of that corporation on the Isthmus, including the shares of railway stock and for the records in Paris, and of the sum of \$10,000,000, as stipulated in the canal convention, to the Republic of Panama for the rights, powers and privileges granted to the United States by the terms of the said convention, have been made and proper instruments of transfer have been executed by the Panama Canal Company. The members of the Isthmian Canal Commission have been appointed. They have organized the commission and entered upon their duties. I have taken possession of and now occupy, on behalf of the United States, the canal zone and public land ceded by the Republic of Panama.

It becomes my duty, under the statutes above referred to, to secure the active prosecution of the work of construction of the canal and its auxiliary works, through the Isthmian Canal Commission, and in connection with such work and in aid thereof to organize and conduct a temporary government of the zone, so as to



maintain and protect the inhabitants thereof in the free enjoyment of their liberty, property, and religion.

Inasmuch as it is impracticable for the President, with his other public duties, to give to the work of supervising the commission's construction of the canal and government of the zone the personal attention which seems proper and necessary, and inasmuch as the War Department is the department which has always supervised the construction of the great civil works for improving the rivers and harbors of the country and the extended military works of public defense, and as the said department has from time to time been charged with the supervision of the government of all the island possessions of the United States, and continues to supervise the government of the Philippine Islands, I direct that all the work of the commission done by virtue of powers vested in me by the act of Congress approved June 28, 1902, in the digging, construction, and completion of the canal, and all the governmental power in and over said canal zone and its appurtenant territory, which by virtue of the act of Congress approved April 28, 1904, and these instructions shall be vested in said Isthmian Canal Commission, shall be carried on or exercised under your supervision and direction as Secretary of War.

Subject to the limitations of law and the conditions herein contained, the Isthmian Canal Commission are authorized and directed:

1. To make all needful rules and regulations for the government of the zone and for the correct administration of the military, civil, and judicial affairs of its possessions until the close of the Fifty-eighth Congress.

2. To establish a civil service for the government of the strip and construction of the canal, appointments to which shall be secured as nearly as practicable by a merit system.

3. To make or cause to be made all needful surveys, borings, designs, plans, and specifications of the engineering, hydraulic, and sanitary works required, and to supervise the execution of the same.

4. To make and cause to be executed after due advertisement all necessary contracts for any and all kinds of engineering and construction works.

5. To acquire by purchase or through proper and uniform expropriation proceedings, to be prescribed by the commission, any private lands or other real property whose ownership by the United States is essential to the excavation and completion of the canal.

6. To make all needful rules and regulations respecting an economical and correct disbursement and an accounting for all funds that may be appropriated by Congress for the construction of the canal, its auxiliary works, and the government of the canal zone; and also to establish a proper and comprehensive system of bookkeeping, showing the state of the work, the expenditures by classes, and the amounts still available.

7. To make requisition on the Secretary of War for funds needed from time to time in the proper prosecution of the work and to designate the disbursing officers authorized to receipt for the same.

The inhabitants of the Isthmian Canal Zone are entitled to security in their persons, property, and religion, and in all their private rights and relations. They should be so informed by public announcement. The people should be disturbed as little as possible in their customs and avocations that are in harmony with principles of well ordered and decent living.

The municipal laws of the Canal Zone are to be administered by the ordinary tribunals substantially as they were before the change. Police magistrates and justices of the peace and other officers discharging duties usually devolving upon these officers of the law will be continued in office if they are suitable persons. The governor of the zone, subject to approval of the commission, is authorized to appoint temporarily a judge for the Canal Zone, who shall have the authority equivalent to that usually exercised in Latin countries by a judge of a court of first instance, but the Isthmian Canal Commission shall fix his salary and may legislate respecting his powers and authority, increasing or diminishing them in their discretion, and also making provision for additional or appellate judges, should the public interest require.

The laws of the land, with which the inhabitants are familiar, and which were in force on February 26, 1904, will continue in force in the Canal Zone and in other places on the Isthmus over which the United States has jurisdiction until altered or annulled by the said commission, but there are certain great principles of government which have been made the basis of an existence as a nation which we deem essential to the rule of law and the maintenance of order, and which shall have force in said zone. The principles referred to may be generally stated as follows:

That no person shall be deprived of life, liberty, or property without due process of law; that private property shall not be taken for public use without just compensation; that in all criminal prosecutions the accused shall enjoy the right of a speedy and public trial, to be informed of the nature and cause of the accusation, to be confronted with witnesses against him, to have compulsory process for obtaining witnesses in his favor, and to have the assistance of counsel for his defense; that excessive bail shall not be required nor excessive fines imposed, nor cruel or unusual punishment inflicted; that no person shall be put twice in jeopardy for the same offense, or be compelled in any criminal case to be a witness against himself; that the right to be secure against unreasonable searches and seizures shall not be violated; that neither slavery nor involuntary servitude shall exist except as a

punishment for crime; that no bill of attainder or ex post facto law shall be passed; that no law shall be passed abridging the freedom of speech or of the press, or of the rights of the people to peaceably assemble and petition the government for a redress of grievances; that no law shall be made respecting the establishment of religion or prohibiting the free exercise thereof: Provided, however, that the commission shall have power to exclude from time to time from the Canal Zone and other places on the Isthmus over which the United States has jurisdiction persons of the following classes who were not actually domiciled within the zone on the 26th day of February, 1904, viz: Idiots, the insane, epileptics, paupers, criminals, professional beggars, persons afflicted with noxious or dangerous contagious diseases, those who have been convicted of felony, anarchists, those whose purpose it is to incite insurrection, and others whose presence it is believed by the commission would tend to create public disorder, endanger the public health, or in any manner impede the prosecution of the work of opening the canal; and may cause any and all such newly arrived persons or those alien to the zone to be expelled and deported from the territory controlled by the United States, and the commission may defray from the canal appropriation the cost of such deportation as necessary expenses of the sanitation, the police protection of the canal route, and the preservation of good order among the inhabitants.

The commission may legislate on all rightful subjects of legislation not inconsistent with the laws and treaties of the United States so far as they apply to said zone and other places, and the said power shall include the enactment of the sanitary ordinances of a preventive or curative character to be enforced in the cities of Colon and Panama and which are contemplated and authorized by article 7 of said canal convention. Such legislative power shall also include the power to raise and appropriate revenues in said zone; and all taxes, judicial fines, customs duties, and other revenues levied and collected in said zone by or under the authority of said commission shall be retained, accounted for, and disbursed by said commission for its proper purposes. The members of said commission to the number of four or more shall constitute a legislative quorum, and all rules and regulations passed and enacted by said commission shall have set forth as a caption that they are enacted by the Isthmian Canal Commission "By authority of the President of the United States."

The commission shall hold its regular quarterly meetings at the office of the commission either in Panama or at a branch office in Washington, and special meetings may be held at the pleasure of the commission.

All laws, rules, and regulations of a governmental character enacted by the commission hereunder shall be submitted to you for your approval, and should your approval be withheld from any such law, rule, or regulation, then from that time the law, rule, or regulation shall thereafter have no force or effect.

Major-General George W. Davis, U. S. Army (retired), a member of the Canal Commission, is hereby appointed governor of the Isthmian Canal Zone. He will proceed at once to the Isthmus of Panama. He will in my name, as the chief executive in the Canal Zone, for and on behalf of the United States, see that the laws are faithfully executed, and will maintain possession of said territory, including the public lands therein and the property real and movable on the Isthmus of Panama, except that of the Panama Railroad, that has recently been acquired from the Republic of Panama. He is hereby vested with the power to grant reprieves and pardons for offenses against the rules, regulations, and laws in force by virtue of action of the commission or by virtue of the laws hereof continuing in force the laws of Panama. In case of his disability or absence from the Canal Zone at any time, the Isthmian Canal Commission is empowered to designate the person or persons to act as governor during such absence or disability. Except as herein prescribed the duties of the governor shall be fixed by legislation of the Canal Commission.

For the preservation of order and protecting the property of the United States, within or without said zone as provided by article 7 of the canal convention, an adequate police force shall be maintained. If at any time there shall arise necessity for military or naval assistance the governor shall, if possible, promptly notify you, and in the event of a sudden exigency the governor may call upon any available military or naval force of the United States to render assistance, and the same shall be immediately furnished.

It is a matter of first importance that the most approved and effective methods and measures known to sanitary science be adopted in order that the health conditions on the Isthmus may be improved. It is the belief of those who have noted the successful results secured by our army in Cuba in the obliteration of yellow fever in that island that it is entirely feasible to banish the diseases that have heretofore caused most mortality on the Isthmus, or at least to improve as greatly the health conditions there as in Cuba and Porto Rico. I desire that every possible effort be made to protect our officers and workmen from the dangers of tropical and other diseases, which in the past have been so prevalent and destructive in Panama.

Rear-Admiral John G. Walker, U. S. Navy (retired), and Colonel Frank J. Hecker, members of the Isthmian Canal Commission, are hereby designated as members of the joint commission provided for by articles 6 and 15 of the canal convention. The moiety of the necessary expenses of the commission to be created in pursuance of articles 6 and 15 of the above-cited



canal convention will be defrayed from the appropriation applicable to the ship canal to connect the waters of the Atlantic and Pacific oceans.

The Isthmian Canal Commission will prepare for Congress and place in your hands on or before December 1 of each year a full and complete report of all their acts and of the operations conducted by them in respect to the canal construction and the government of the Canal Zone. These reports will contain a detailed account of all moneys received and disbursed in the performance of their duties and of the progress made in the construction of the canal.

The necessary expenses incurred by the commission in carrying on the government of the Canal Zone will be defrayed from the local revenues so far as the said revenues may be sufficient, and the remainder will be met from the appropriation made by the fifth section of the act of Congress approved June 28, 1902. An estimate of the proposed expenditures and revenues for each year in carrying on the government of the zone will be submitted to Congress at the beginning of each annual session.

By virtue of the ownership by the United States of about sixty-nine seventieths of the shares of the capital stock of the Panama Railroad the general policy of the managers of said road will be controlled by the United States. As soon as practicable I desire that all the members of the Isthmian Canal Commission be elected to the board of directors of the road, and that the policy of the road be completely harmonized with the policy of the Government of making it an adjunct to the construction of the canal, at the same time fulfilling the purpose for which it was constructed as a route of commercial movement across the Isthmus of Panama. If any contracts or other obligations now subsist between the railway company and other transportation companies that are not in accord with sound public policy, then such contracts must be terminated as soon as it is possible to effect that object.

No salary or per diem allowance of compensation in addition to the stated salary and per diem allowance of the members of the Isthmian Canal Commission will be allowed to any member of the commission by reason of his services in connection with the civil government of the canal zone, or his membership of any board or commission concerned in or connected with the construction of the canal, or by reason of his services as an officer or director of the Panama Railroad.

If there now be in force within the Canal Zone any franchise granting to any person or persons a privilege to maintain lotteries or hold lottery drawings or other gambling methods and devices of a character forbidden by the laws of the United States, or if the grantee of any such privilege has now the right to sell lottery tickets or similar devices to facilitate the business of the concessionaire, the commission shall enact laws annulling the privileges or concessions and punishing future exercise of the same by imprisonment or fine, or both.

These instructions may be modified and supplemented as occasion shall arise.

Very respectfully,

THEODORE ROOSEVELT.

HON. WILLIAM H. TAFT,  
*Secretary of War.*

**We shall send our flag into all ports of trade, not as a menace, but as the harbinger of peace and good-will.—Hon. C. W. Fairbanks, at Freehold, N. J., June 27, 1903.**

**This is an era of great combinations both of labor and of capital. In many ways these combinations have worked for good; but they must work under the law.—President Roosevelt at Charleston, April 9, 1902.**

**It is almost as necessary that our policy should be stable as that it should be wise. A nation like ours could not long stand the ruinous policy of readjusting its business to radical changes in the tariff at short intervals, especially when, as now, owing to the immense extent and variety of our products, the tariff schedules carry rates of duty on thousands of different articles.—President Roosevelt at Minneapolis, April 4, 1903.**

**The man on the farm, more than any other of our citizens to-day, is called upon continually to exercise the qualities which we like to think of as typical of the United States throughout its history—the qualities of rugged independence, masterful resolution, and individual energy and resourcefulness. He works hard (for which no man is to be pitied), and often he lives hard (which may not be pleasant); but his life is passed in healthy surroundings which tend to develop a fine type of citizenship.—President Roosevelt at Bangor, Me., Aug. 27, 1902.**



## The Panama Canal—Routes Between Ports in Different Oceans by Panama and Suez Respectively

The following tables give distances between seaports on different oceans by the Cape of Good Hope, Cape Horn, Suez and Panama routes. The distances (with a few additions) are taken from the tables of the French hydrographic office, and are by the most direct navigable routes for steamers.

[Nautical miles.]

	Vladivostok.			Tokyo.			Nagasaki.			Canton.			Hongkong.			Shanghai.			Manila.		
	Via Cape of	Via Suez	Via Panama	Via Cape of	Via Suez	Via Panama	Via Cape of	Via Suez	Via Panama	Via Cape of	Via Suez	Via Panama	Via Cape of	Via Suez	Via Panama	Via Cape of	Via Suez	Via Panama	Via Cape of	Via Suez	Via Panama
1 Halifax.....	14,965	12,656	10,969	14,895	12,586	10,018	14,369	12,060	10,561	13,466	11,051	11,611	13,414	10,999	11,533	14,163	11,864	10,997	13,272	11,002	11,738
2 Quebec.....	15,468	13,044	10,841	15,398	12,974	10,790	14,872	12,448	11,333	13,969	11,439	12,383	13,917	11,387	12,305	14,666	12,242	11,769	13,775	11,390	12,510
3 Portland.....	15,176	12,937	9,940	15,106	12,867	9,889	14,580	12,441	10,432	13,677	11,332	11,482	13,625	11,280	11,404	14,374	12,135	10,868	13,483	11,283	11,609
4 Boston.....	15,166	12,993	9,894	15,096	12,923	9,843	14,570	12,397	10,386	13,667	11,388	11,436	13,615	11,336	11,358	14,364	12,191	10,822	13,473	11,339	11,563
5 New York.....	15,248	13,165	9,743	15,178	13,095	9,692	14,652	12,569	10,235	13,749	11,560	11,285	13,697	11,508	11,207	14,446	12,363	10,671	13,555	11,511	11,412
6 Philadelphia..	15,328	13,319	9,732	15,258	13,249	9,681	14,732	12,723	10,224	13,829	11,714	11,274	13,777	11,662	11,196	14,526	12,517	10,660	13,635	11,665	11,401
7 Baltimore.....	15,360	13,411	9,785	15,290	13,341	9,734	14,764	12,815	10,277	13,861	11,806	11,327	13,809	11,754	11,249	14,558	12,609	10,713	13,667	11,757	11,454
8 Annapolis.....	15,340	13,443	9,665	15,270	13,373	9,614	14,744	12,847	10,157	13,841	11,838	11,207	13,789	11,786	11,129	14,538	12,641	10,593	13,647	11,789	11,434
9 Charleston....	15,282	13,596	9,380	15,212	13,526	9,329	14,686	13,000	9,872	13,783	11,991	10,922	13,731	11,939	10,844	14,480	12,794	10,308	13,589	11,942	11,049
10 Savannah.....	15,316	13,666	9,385	15,246	13,596	9,334	14,720	13,070	9,897	13,817	12,061	10,927	13,765	12,009	10,849	14,514	12,864	10,313	13,623	12,012	11,054
11 Key West....	15,482	13,984	8,903	15,412	13,914	8,852	14,886	13,388	9,395	13,983	12,379	10,445	13,931	12,307	10,367	14,680	13,182	9,831	13,789	12,330	10,572
12 Pensacola....	15,766	14,470	9,161	15,696	14,400	8,910	15,170	13,874	9,653	14,267	12,865	10,703	14,215	12,813	10,625	14,964	13,668	10,089	14,073	12,816	10,830
13 Mobile.....	15,801	14,507	9,188	15,731	14,437	9,137	15,205	13,911	9,680	14,302	12,902	10,730	14,250	12,850	10,652	14,999	13,705	10,116	14,108	12,853	10,857
14 New Orleans..	15,814	14,555	9,197	15,744	14,485	9,146	15,218	13,959	9,689	14,315	12,950	10,739	14,263	12,898	10,661	15,012	13,753	10,125	14,121	12,901	10,866
15 Sabine.....	15,910	14,695	9,282	15,840	14,625	9,231	15,314	14,099	9,774	14,411	13,090	10,824	14,359	13,038	10,746	15,108	13,893	10,210	14,217	13,041	10,951
16 Galveston....	15,930	14,731	9,298	15,860	14,661	9,247	15,334	14,135	9,790	14,431	13,126	10,840	14,379	13,074	10,762	15,128	13,929	10,226	14,237	13,077	10,967
17 Vera Cruz....	15,878	14,828	9,183	15,808	14,758	9,132	15,282	14,232	9,675	14,379	13,223	10,725	14,327	13,171	10,647	15,076	14,036	10,111	14,185	13,174	10,852

## CUBA.

### The Generous and Honorable Course of the United States Toward That Island the Work of the Republican Party.

The record of the United States in respect to its dealings with Cuba during the last seven years constitutes one of the brightest and most honorable chapters in the history of the human race. This is now the unanimous verdict of the nations of the earth.

The people of Cuba, driven to revolution by long-continued oppression and abuses on the part of Spain, had proved unequal to the task of throwing off the yoke and achieving independence unassisted. Finally the contest became marked by such cruelties and barbarities that the United States in the interest of common humanity felt compelled to interfere and to demand of Spain independence for Cuba. This demand led to the war between the United States and Spain, the details of which are so well known.

As the grand result of that interference on the part of the United States and of the subsequent temporary government of the island by the United States, Cuba has become a free Republic, the terrible wounds of the revolution have been healed, the immense property losses, estimated at a billion dollars, have been mainly recouped, the stricken industries of the people have been rehabilitated, the burden of the old public debt has been cast off, the courts and laws have been reformed, the former illiteracy and ignorance of the mass of the people have been remedied by an admirable system of public education, the serious epidemics of yellow fever, etc., have been stamped out and the old unsanitary conditions removed, great improvements have been instituted in all the public departments and works, including the police force and rural guard, the fire department, the water supply, the roads, the pavements, the sewers, the harbor channels, the light-houses, etc., and a modern system of republican governmental machinery established, including national executive and legislative departments, subordinate provincial and municipal governments, and a thoroughly up-to-date tariff and customs service of such efficiency that from the very start the revenues of the new Republic have far exceeded its expenditures and there has been a handsome surplus in the treasury.

#### CLEAN RECORD OF UNITED STATES.

In a word, the United States first enabled Cuba to win her independence, then took Cuba in charge for three years and taught her how to administer a successful Republic, and then handed the reins of government over to the Cubans and retired from the island. The United States did all this simply as a manifestation of brotherly kindness, entirely at its own expense; and since resigning authority in Cuba in 1902 the United States has given another practical proof of genuine friendship for the new Republic by enacting a reciprocity treaty, or commercial convention, giving to the Cubans the advantage of 20 per cent. rebate on our tariff duties for all Cuban products subject to duty at United States ports.

All these grand results were accomplished by the power and will of the Republican party of the United States, under the responsible management of the two Republican administrations of McKinley and Roosevelt, and in spite of the almost undeviating opposition of the Democratic party. This is not a mere party claim or boast. It is a simple fact of political history.

Although, when brought face to face with the main questions at issue, the majority of the Democratic Congressmen generally voted for the various war and Cuban measures, the leaders of that party, in and out of Congress, from the very outset strove persistently to obstruct the legislation proposed by the Republicans, and to hinder and embarrass the Government in the execution of its Cuban policy.

## STUBBORN DEMOCRATIC OPPOSITION.

In 1896, in the Fifty-fourth Congress, resolutions were passed recommending the friendly intervention of this government in behalf of the Cubans. The Democratic President and administration took no notice of the resolutions.

In 1898, in the Fifty-fifth Congress, the Democrats endeavored to delay action on the war resolutions, but were prevented by a ruling of Speaker Reed. They finally all voted for these resolutions; but on the appearance of the war revenue bill, for providing ways and means for carrying on the war, they raised all sorts of objection and opposition to it, and seventy-eight of them actually voted against it.

During the war the Democrats omitted no opportunity to criticise President McKinley and his associated high officials in the War and Navy Departments for their conduct of the war, and they eagerly seized upon every piece of scandal, reported or rumored, in their keen desire to bring discredit upon the authorities who were bearing the burden of the struggle and striving to preserve the honor of the country.

When the war was over and the treaty of peace was under consideration the Democrats bitterly opposed ratification, and barely a sufficient number of them voted with the Republicans to secure that result. Even this faint-hearted support of the treaty by a few of their number was, in part at least, for the purpose of merely assuring completion of the Republican policy, upon which they believed they could successfully attack the party in the campaign of 1900, then at hand. Ten Democrats and three Populists and three members of the Silver party and one independent voted for the ratification of the treaty.

During the temporary government of Cuba by the United States authorities the Democrats kept up the same system of opposition and criticism to all features of the Republican policy toward the island, including the eminently wise and necessary "Platt Amendment." They imputed blame to all the leading United States officials temporarily in charge of Cuban affairs and threw suspicions on all their motives.

## A CHRONOLOGICAL COMPILATION.

Under the title of "The Establishment of Free Government in Cuba," a very complete and lucid compilation from the records of the War Department has recently been made by the Bureau of Insular Affairs, giving the details, in chronological order, of all the important developments between the United States and Cuba since April 20, 1898. The compilation may be summarized as follows:

On April 20, 1898, Congress adopted a joint resolution stating that the conditions in Cuba had become intolerable, that Cuba had a right to be free, that the United States therefore demanded of Spain the relinquishment of the island, that in enforcing this demand the President be empowered to make full use of the land and naval forces of the United States and the militia of the several States, and that the United States expressly disclaimed any disposition or intention to exercise sovereignty, jurisdiction, or control over said island, except for the pacification thereof," and asserted its determination, when that was accomplished, to "leave the government and control of the island to its people."

On April 25, 1898, Congress passed an act formally declaring war against Spain.

On August 12, 1898, the United States and Spain agreed upon a protocol, by the terms of which Spain promised, among other things, to relinquish all sovereignty over Cuba and to evacuate the island, which protocol was followed by a suspension of hostilities.

On September 10, 1898, the treaty of Paris was signed, by which, among other things, it was agreed that Spain relinquished all claim and title to Cuba, and that during the period of the occupation of the island by the United States the United States should discharge all obligations resulting from such occupation, under international law.



## THE GOVERNMENT OF INTERVENTION.

On January 1, 1899, the Spanish evacuated Habana and relinquished sovereignty of the island, and the government was transferred to the military governor as the representative of the President of the United States. Measures were then at once initiated by this temporary authority to establish a permanent and stable republican government to be administered by the Cubans themselves, and from that hour until the Cuban Republic was proclaimed on May 20, 1902, this idea was kept steadily in view by the "government of intervention," with the determination to accomplish the object as speedily as possible.

The first step was to provide for taking a census, in order to ascertain the population and the age and other qualifications for citizenship and suffrage. Spanish citizens remaining in Cuba were given the option of becoming Cuban citizens, and large numbers of them did so. A basis for suffrage was agreed upon by a conference of leading Cubans, an election law was promulgated, and on June 16, 1900, an election was held throughout the island for municipal officers. This election was managed and participated in solely by Cubans, not a United States official or soldier being at or near any polling place, and it was completely successful in all respects.

The next step was the calling of an election for the choice of delegates to a constitutional convention. This election was held on September 15, 1900, and was also entirely under the charge of Cubans. The thirty-one members of the constitutional convention were duly elected, and the convention began its sessions at Habana on November 5, 1900, for the purpose of framing a national constitution, agreeing upon the future relations of Cuba with the United States, and providing for the popular election of officers of the Cuban Government under that constitution.

## THE PLATT AMENDMENT.

In regard to the point concerning the future United States-Cuban relations, it was settled satisfactorily to both nations by the adoption, by both, of what has come to be permanently designated as the "Platt Amendment." This consisted of a series of propositions offered by Senator Platt of Connecticut as an amendment to the pending army appropriation bill in the last hours of the Fifty-sixth Congress, and passed by that Congress on March 2, 1901. By this amendment it was provided that the recognition of the full independence of Cuba by the United States should be conditioned upon the Cubans agreeing (1) never to permit any foreign power, by treaty, colonization, or otherwise, to obtain any control over Cuba or its territory tending to impair its independence; (2) never to contract any public debt beyond the capacity of the ordinary revenues of the island to take care of; (3) that the United States may intervene in Cuba for the preservation of Cuban independence and for the maintenance of a government adequate for the proper discharge of its constitutional functions and obligations; (4) that the acts of the United States in Cuba during the temporary government be ratified and validated and all rights thereunder honored and protected; (5) that the new sanitary system in the Cuban cities be faithfully continued, and (6) that two naval stations in Cuba be sold or leased to the United States.

On June 12, 1901, these conditions were accepted and adopted by the Cuban constitutional convention, and their text grafted upon the new Cuban constitution.

This being deemed satisfactory and conclusive by the United States, nothing remained except to elect the new Cuban general officials under the constitution. The election for governors, members of the house of representatives, presidential and senatorial electors, etc., was held on December 31, 1901, and on February 24, 1902, the electors met and elected a president, vice-president, and senators.

May 20, 1902, was agreed upon for inauguration day, and on that day the Republic of Cuba was formally put into action as a "going concern" by the preceding government of intervention. In the morning all the general offices and national affairs of the

land were in the hands of United States officials; in the afternoon they were all in the hands of the corresponding Cuban officials, and that, too, without the slightest friction or confusion. The evacuation of Cuba by the United States officials and forces took place at once, a few troops being temporarily retained in the important fortifications, by mutual consent and in the interest of the public safety, until the new government could replace them by an adequate force of Cuban troops. The transfer was made the occasion of a national holiday, the representatives and citizens of the United States joining heartily with the Cubans in the general jubilation. Congratulatory messages were exchanged by President Roosevelt and President Palma, and by Secretary Root and President Palma. The Cuban President officially expressed the gratitude of the Cuban people for the services rendered to them by the United States, and pledged the Republic to the performance of all the duties and obligations imposed by the treaty of Paris and the "Platt Amendment."

#### GENERAL RESULTS.

In recapitulating the principal features of the civil administration of the temporary government, the report of the Bureau of Insular Affairs states that the first thing in order after assuming control in 1899 was the maintenance of domestic peace, the relief of physical distress among the suffering inhabitants, the sanitation of the towns, and the rebuilding of the industries of the island. The maintenance of public order was easily accomplished. The relief from hunger and illness involved a thorough house-to-house inspection and the distribution of large quantities of food and medicines. More than 5,000,000 rations were thus distributed during the first six months of 1899, without the cost of a penny to the Cubans. The claims of the Cuban soldiers were satisfied by the payment to them by the United States of about \$2,500,000 on account of or in lieu of salaries and wages for military service. The sanitary reform instituted in the island was on the most elaborate scale. Sanitary corps were organized, systematic inspections were made, streets cleaned, sewers introduced, buildings disinfected, water supplies rigidly investigated and improved, and, above all, the cause of yellow fever scientifically ascertained, with the result of bringing that disease under control and expelling it from the island. Equally careful attention was given to the cause of education. Before the war the Cuban school system was very deficient. In such public schools as existed, poorly taught, poorly furnished, poorly equipped, there was a nominal enrollment in 1897 of about 16,000 pupils. In less than six months after the occupation of the island by the United States authorities the public school enrollment numbered 143,000, and the school premises and equipments had been greatly improved. Modern text-books and apparatus were introduced, and several hundred Cuban teachers were taken to the United States and given special instruction here in their calling. Thousands of others received similar instruction in teachers' institutes in Cuba, established by the United States authorities. Besides all this extensive reforms and improvements were introduced in the prisons, asylums, hospitals, dispensaries, etc., and a radical change for the better was effected in regard to the management of the railways of the island. In order to hasten the work of rehabilitating the industries of Cuba the government of intervention furnished to needy planters and farmers more than \$100,000 worth of farm animals, as a free gift. The report of the Bureau of Insular Affairs concludes by presenting the balance sheet showing the revenues and expenditures of Cuba under the temporary government, with the former amounting in round numbers to \$57,000,000 and the latter to \$55,000,000, thus leaving a surplus of about \$2,000,000 in the gross. In view of all these gratifying results, the order of Secretary Root to the Army of the United States, of date July 1, 1902, thanking the officers and enlisted men recently on duty in Cuba for their very successful efforts and achievements in the island, must surely receive the hearty indorsement of the people of the United States.



### Reciprocity with Cuba.

After the inception of the Cuban Republic the first question of importance to claim the attention of the United States with regard to Cuba was the question of reciprocity. As a rule, reciprocity, or reciprocal commercial conventions, between nations is a simple business proposition, to be decided on simple business principles. In the case of Cuba, however, the great majority of the honorable, right-thinking citizens of the United States have acknowledged from the first that the moral element pertained to the reciprocity proposition. In the first place, the United States was in large part responsible for the fact of Cuban independence, and it would therefore seem obvious that the United States was morally bound to see that this independence did not prove Cuba's undoing, and that the infant nation should have at least a fair chance of life. Furthermore, it was evident that without practical assistance of material proportions from the outside Cuba could hardly recover from the fearful losses of the war. The great industries of Cuba had been sugar and tobacco. These had been almost ruined by the war. The plantations had been ravaged, the crops destroyed, the animals confiscated, the buildings, machinery, and utensils burned up. Besides, in the case of sugar, the cane-sugar producers were confronted with a ruinous beet-sugar competition, and during the war prices of sugar had gone below pay level from a Cuban point of view.

Both President McKinley and President Roosevelt repeatedly in their messages to Congress urged the adoption of reciprocity with Cuba, and both called attention to the moral aspect of the question. In his special message of June 13, 1902, on the subject President Roosevelt argued that Cuba's very life would for many years depend upon her treatment by the United States, and that Cuba had at our request and dictation assumed special obligations toward the United States, which, as a matter of honor, placed the United States under special moral obligations toward Cuba. We had already helped her; we should continue to help her, and "are bound by every consideration of honor and expediency to pass commercial measures in the interest of her material well-being." The President also adduced other arguments of a more practical nature. President Roosevelt's message on this subject is printed in the document "Pages from the Congressional Record," as are also numerous speeches in Congress on the reciprocity measure. These should be examined by those desiring a detailed study of this subject.

### OPPOSITION BY DEMOCRATS ONLY.

The matter came up in the Fifty-seventh Congress, but nothing decisive was done until the Fifty-eighth. A reciprocity treaty or commercial convention was prepared by accredited representatives of both nations in December, 1902. In March, 1903, the United States Senate met in special session and ratified the convention with certain amendments, one of which made it requisite for the House of Representatives to agree to the ratification. Accordingly, President Roosevelt called a special session of both Houses in November, 1903, to further consider the matter. The House passed a bill to carry into effect the proposed convention on November 19, 1903, by a vote of 335 to 21; and the Senate passed the same bill on December 16, 1903, by a vote of 57 to 18. *In both Houses the negative vote was cast entirely by Democrats, and practically all the opposition in the debates was voiced by Democrats.*

The new treaty went into effect on December 27, 1903, and, unless denounced, will continue in force for five years from that date. Aside from the articles on the free lists of both countries the treaty admits into the United States all the products of Cuba at a reduction of 20 per cent. of the United States tariff duties thereon, and admits into Cuba all the products of the United States (except tobacco) at various reductions of 20, 25, 30, and 40 per cent. of the Cuban tariff duties thereon, the articles pertaining to the different rates of reduction being carefully specified in the text of the instrument.



## GREAT INCREASE OF TRADE UNDER THE TREATY.

The Cuban reciprocity treaty has been in operation practically since January 1, 1904, and the official figures of the commerce and trade between the two countries this year thus far prove very satisfactory to the friends of the reciprocity proposition and to those who argued and prophesied that the results of the new arrangement would be of much benefit to the people of both communities and would injure no industry in either country. According to statistics compiled by the Department of Commerce and Labor through its Bureau of Statistics the United States exports to Cuba during the first three months of this year amounted in value to \$6,495,149, as against \$5,211,063 during the first three months of 1903. This is an increase of nearly 25 per cent. The percentage of increase of the imports into the United States from Cuba for the same period is still greater, amounting to nearly 100 per cent, and the increase in the whole trade amounts to more than 70 per cent. The figures show, moreover, that while there has been a gradual increase in our trade with Cuba during the whole of the fiscal year ending June 30, 1904, as compared with the previous fiscal year, the increase was far greater during the last half of the year (the reciprocity period) than during the first half.

The bulk of the United States imports from Cuba during the first three months of 1904 consisted of sugar. The very large total of imports for the period (\$23,217,180, as compared with \$11,948,597 for the first three months of 1903) was caused, to a great extent, of course, by the action of the Cuban sugar exporters in holding back shipments during the latter part of 1903 so as to take advantage of the expected tariff reductions offered by the reciprocity treaty. It is noteworthy that the recent very large imports of cane sugar have not had a tendency to lower the price of sugar in this country, so that our beet-sugar interests have not suffered, while the Cuban producers have reaped a great benefit from the reduction of our tariff rate on their sugar. (The question of the effect on our beet-sugar industry of this and other reductions is discussed on another page. See index.)

The 25 per cent. increase in our exports to Cuba during the first three months of 1904, as compared with the first three months of 1903, applied principally to agricultural implements, wheat flour, cotton cloths, sewing machines, leather, naval stores, oils, lumber, and furniture. In some of these articles the recent increase of our exports to Cuba has been 50 per cent, and in some even 100 per cent, as compared with corresponding periods of 1903. The treaty is published in full in the document "Pages from the Congressional Record."

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The mints will not furnish the farmer with more consumers. The only market that he can rely upon every day of the year is the American market.—Maj. McKinley to Indiana delegation, at Canton, September 29, 1896.

We believe in reciprocity with foreign nations on the terms outlined in President McKinley's last speech, which urged the extension of our foreign markets by reciprocal agreements whenever they could be made without injury to American industry and labor.—President Roosevelt's speech accepting 1904 nomination.

We each and all owe a duty to the community and to the State. It is a positive duty, and that is to aid in securing good laws and their faithful enforcement. We are not menaced by foreign foes. We have no fear of alien attack. We have nothing within to dread except the indifference of the intelligent citizen to the discharge of his civic obligations.—Hon. C. W. Fairbanks, at Freehold, N. J., June 27, 1903.

I am a protectionist because I can see very clearly that the political independence which every patriot would sacrifice his life to preserve to his country can only be safely assured when we are industrially independent, and I am glad, if it requires that lesser sacrifice, to forego a few pennies of my savings to do my part to secure that assurance.—Prof. R. H. Thurston, of Cornell University, in the American Economist.

## THE PACIFIC.

### The Republican Policy of Development of its Commerce.

One distinctive feature of the Republican policy in recent years has been the enlargement of our trade with the Orient and a strengthening of our relations with the Pacific. This policy was clearly developed during the administration of President Harrison, who in his speeches on the Pacific coast, in his urgency for the construction of an isthmian canal, and in his favorable action on the application of the Hawaiian Islands for annexation to the United States, indicated a desire for the development of our Pacific and Oriental trade.

The contrast between Republican and Democratic policies with reference to the Pacific is shown in the fact that the treaty of annexation of the Hawaiian Islands which President Harrison had sent to Congress during the closing period of his administration was immediately withdrawn by President Cleveland and an order given to haul down the American flag which had been hoisted in those islands. A still further evidence of the contrast between the policies of the two parties is found in the fact that immediately upon the inauguration of President McKinley the application of Hawaii for admission to the Union was renewed, favorable action recommended by President McKinley, and an act admitting Hawaii passed a Republican Congress.

It was also under President McKinley that the island of Tutuila, a part of the Samoan group, in which is located the most valuable harbor in the entire South Pacific, was annexed to the United States.

President McKinley also recommended the construction of a Pacific cable, and a Republican Congress subsequently enacted a law under which a cable was constructed across the Pacific by private enterprise, but assuring a marked reduction in rates, and a Republican President, Roosevelt, inaugurated it for business with his opening message to the Philippines, sent thither and around the world on July 4, 1903.

### COMMERCIAL PROGRESS IN THE EAST.

The various steps taken in behalf of improved commercial relations with the Orient and especially with China are detailed in the chapter discussing the work of the State Department. These include the insistence upon the "open door" for trade, the negotiation of a new commercial treaty with China, the establishment of new treaty ports in China and Japan, the active work of our consuls in those countries in behalf of commerce, and in addition to these the annexation of the Philippine Islands, an important strategic point commercially as well as otherwise in the Orient. Regarding this important step and its relation to our commerce in the Orient, Archibald Colquhoun, that distinguished British student and traveler, whose writings on trade conditions in the Orient mark him as an authority, says in his "Mastery of the Pacific:" "The presence of America in the Philippines opens a grave possibility, since it is obvious that Hong-kong will in the future be out of the direct trade routes between Australasia and the Malay Archipelago and the great markets of America. \* \* \* There are evident signs that the United States mean to make an important center of the capital of the Philippines. Among the most significant factors in the Pacific situation is the advent of Russia coming overland to the Pacific littoral and the sudden appearance of the United States coming over-sea and establishing herself in a large, populous and important archipelago on our borders of Asia. \* \* \* The United States, in the opinion of the writer, will be the dominant factor in the mastery of the Pacific. She has all the advantages, qualifications, and some of the ambitions necessary for the role, and her unrivaled resources and vast, increasing population provide the material for future greatness."



The last step in the work in behalf of the development of American commerce on the Pacific and with the Orient is found in the developments of the past year with reference to the Panama Canal, fully discussed elsewhere, which have resulted in the absolute ownership by the United States of that canal cession and the perpetual control of a strip of land five miles wide on each side of the canal route, an area nearly one-half that of the State of Rhode Island, and giving assurance of the right to construct and operate that canal. All of this work with reference to the Panama Canal, as well as all the other work above outlined with reference to the Pacific, has been accomplished under Republican Presidents and in the face of continuous criticism and opposition by the Democratic party in and out of Congress. Not a single one of the measures and steps above outlined has escaped criticism and opposition by that party.

#### IMPORTANCE OF THE COMMERCE OF THE ORIENT.

That the commerce of the Orient is of sufficient value to justify the efforts which have been made to obtain our proper share in it is evidenced not alone by the continuous efforts which the European nations are making for its control, but by the fact that the annual importations of the semicircle of countries of which Manila forms a central point aggregate about 1,250 million dollars, or an average of 100 million dollars per month, a sum nearly equal to the total value of our present domestic exports. That the United States has made a marked gain in the share which products from the United States form in the total imports of the countries in question—Japan, China, India, Ceylon, Dutch and French East Indies, Australasia, the Hawaiian Islands, etc.—is shown by the fact that such shipments from the United States to Asia and Oceania amounted in 1896 to but about 6 per cent. of the total imports of those countries, while to-day they amount to about 10 per cent of their imports. A table on page . . . shows the growth in exports of the United States to each of the grand divisions of the world in each year from 1896 to 1903. It will be seen that while our exports to South America increased only 10.6 per cent., those to Europe 52.9 per cent. and those to North America 84.8 per cent., those to Asia and Oceania, including shipments from the United States to the Hawaiian Islands, increased 149 per cent. The increase in total exports to all parts of the world during the period from 1896 to 1903 was, in round terms, 61 per cent., while that in exports to Asia and Oceania, as above indicated, was 149 per cent., the percentage of increase to Asia and Oceania therefore being more than twice as great as the increase in total exports, and greater than to any other section of the world except Africa, while the actual increase was far greater than that in exports to Africa or South America. To Asia and Oceania the actual increase in the seven years from 1896 to 1903 was practically 64 million dollars, while in the seven years immediately preceding 1896 the increase in exports to Asia and Oceania had been but eight million dollars. Our total exports to Asia and Oceania in 1889 were \$34,679,029, and in 1896 \$42,827,258, an increase of \$8,148,229 during a seven-year period in most of which a Democratic administration was discouraging commerce with the Pacific countries through its attitude regarding Hawaii and other questions of that character. In the seven years following 1896, however, under the encouragement of Republican Presidents, the increase in our shipments to Asia and Oceania was from \$42,827,258 in 1896 to \$106,770,591 in 1903, a gain of \$63,918,333, or nearly eight times as much as in the seven years from 1889 to 1896. Shipments of merchandise from the United States to Hawaii, which have not been included in the official statements of our exports to foreign countries since their annexation in 1900, are included in the above statements of exports to Asia and Oceania in order to furnish a proper basis of comparison of growth in that commerce, in view of the fact that they were so included in 1900.

A very large proportion of the commerce of the islands and Alaska is with the United States. The total merchandise entering Porto Rico from all countries, including the United States, in the year ending December 31, 1903, was \$13,939,218, of which \$11,-



\$819,695 was from the United States. The total merchandise sent out of Porto Rico in the year ending December 31, 1903, was \$14,548,765, of which \$10,152,923 went to the United States. The total merchandise entering the Hawaiian Islands in the 12 months ending June 30, 1903, was \$13,982,485, of which \$10,840,472 was from the United States. The total value of merchandise leaving the Hawaiian Islands in the same period was \$26,274,938, of which \$26,242,869 was sent to the United States.

In the case of the Philippine Islands the proportion of imports drawn from the United States is naturally much smaller, owing to the fact that much of the materials which they require are drawn from contiguous countries—China, the British East Indies, the French East Indies, and Hongkong—and that much of their former trade with the United Kingdom, Spain, Germany, and France is still retained by those countries in the absence of any reduction on imports from the United States, which cannot be made, as above explained, during the ten years covered by the agreement with Spain bearing upon this subject.

With reference to the commerce of Alaska, it may be said that practically all of it is with the United States. The commerce of Guam, which was taken possession of during the war with Spain, is small and practically all of it with the United States. That of the island of Tutuila, one of the Samoan Islands which was annexed at the termination of the protectorate which the United States in conjunction with the United Kingdom and Germany exercised over the Samoan Islands, is small, but chiefly with the United States. The importance of this island lies not in its commerce, but in the splendid harbor which its possession gives to the United States, being by far the best harbor in the South Pacific. This, with the control of the harbors in the Hawaiian and Philippine Islands, gives the United States the control of the best and chief island harbors of the Pacific Ocean.

#### COMMERCIAL RELATIONS WITH OUR ISLAND POSSESSIONS.

The class of articles forming the commerce between the United States and its island possessions are, in the case of merchandise coming from those islands, almost exclusively tropical products. Of the merchandise received from Porto Rico in the calendar year 1903, amounting in value to \$10,152,923, sugar amounted to \$6,813,854; cigars, \$1,441,196; coffee, \$610,982, and fruits, \$378,210. The domestic merchandise shipped from the United States to Porto Rico during the same period, amounting to \$11,424,313, included practically all classes of goods; breadstuffs, \$1,199,052; cotton manufactures, \$1,950,803; iron and steel manufactures, \$1,156,273; provisions, \$1,403,634, and rice, \$2,213,031. Of the merchandise received in the United States from the Hawaiian Islands during the year ending June 30, 1903, amounting to \$26,242,869, \$25,310,684 was sugar. The domestic merchandise sent from the United States to the Hawaiian Islands in the same period, amounting to \$10,787,666, included practically all classes of articles; breadstuffs, \$1,466,571; cotton manufactures, \$1,022,116; iron and steel manufactures, \$1,149,505; manufactures of wood, \$815,290; mineral oils, \$580,823; provisions, \$579,334, and fertilizers, \$495,724. The merchandise received in the United States from the Philippine Islands in the year ending June 30, 1903, amounting to \$11,372,584, consisted chiefly of manila hemp, \$10,931,186, and sugar, \$270,729. Of the shipments to the Philippine Islands from the United States in the same year, amounting to \$4,028,677, manufactures of iron and steel formed the largest single item, \$657,354; wood and its manufactures, \$499,563; cotton manufactures, \$316,570; breadstuffs, \$278,891; malt liquors, \$310,495; spirits, \$124,875, and wines, \$8,397.

#### TROPICAL PRODUCTS IN GREAT DEMAND.

It will be noted that tropical products form the bulk of the merchandise received into the United States from its tropical possessions. This is an important feature of the contributions of those islands to the United States and suggestive of their power to supply the tropical requirements of this country. The total value of tropical and subtropical products brought into the United States from various parts of the world now averages more than 400 million dollars per annum. The total value of

tropical and subtropical products brought into the United States during the fiscal year 1903 from foreign countries amounted to 372 million dollars, and to this was added over 25 millions from the Hawaiian Islands and 11 millions from Porto Rico, thus making the grand total of tropical and subtropical products brought into the United States during that year over 400 million dollars. Of this grand total of over 400 million dollars, sugar formed 100 millions; coffee, 60 millions; silk, 50 millions; fibers, 31 millions; India rubber, 30 millions; fruits and nuts, 23 millions; tobacco, 20 millions; cotton, vegetable oils, and gums, 11 millions each, and cocoa and chocolate, 8 millions. The fact that practically all of these articles can be produced in the islands in question and that large cultivable areas still exist in the Philippines which may be utilized in supplying this enormous demand of the United States for tropical products suggests that they may become extremely valuable in supplying our rapidly growing requirements for tropical products. The value of tropical products brought into the United States has increased from 141 million dollars in 1870 to over 400 millions at the present time, and is still growing. Our experience with the Hawaiian Islands shows that following a reduction of tariff rates on merchandise passing between those islands and the United States, they increased their purchases of our products at about the same rate that we increased our purchases from them. Should this follow in the case of the Philippine Islands, and should those islands prove capable of supplying a large part of the 400 million dollars' worth of tropical products which we now purchase in foreign countries, *they would in turn supply to our producers and manufacturers very large markets for our products, just as Porto Rico and Hawaii have done following the increase in our purchases from those islands.* Tables showing the shipments of merchandise from these islands into the United States and from the United States into these islands during a term of years are shown elsewhere, also a table showing the imports into the United States of tropical productions during a term of years, and the principal articles included therein.

Another advantage in the new relations of the United States to these islands is developed in the large investments which are already being made in those islands by citizens of the United States and the benefits resulting both to the islands, to the investors themselves, and to the people of the United States whose sales to the islands are stimulated by the development caused by such investments. In the case of the Hawaiian Islands the total amount of American capital there invested at the present time is about 100 million dollars. This statement is based upon figures supplied to the Bureau of Statistics from a reliable authority in those islands. In the case of Porto Rico about 10 millions of American capital has been there invested up to this time. In the case of the Philippines, the investments up to the present time amount to several millions, and it is expected will rapidly increase now that order and stability are assured.

Details of conditions in those islands and of the benefit which government by the United States has been to their people are discussed elsewhere in the chapters especially devoted to those islands. The above discussion is intended to relate only to the commercial aspect of the control of the islands and their relation to our commerce.

#### **The Pacific Cable.**

The credit of rendering practicable the construction of a Pacific cable is due to the policy of the Republican party. As already pointed out in the discussion of conditions in the Orient and the Pacific, the policy of the Democratic party has been constantly averse to the development of trade with the Orient and to the control of islands in the Pacific. True, President Pierce and his Secretary of State did attempt to annex the Hawaiian Islands, but a later Democratic President, Grover Cleveland, not only opposed annexation, but prevented it during his administration, in spite of the fact that the people of the islands were anxious for such relationship. So long as the islands which are now utilized for the landing places of the cable were controlled by various nations with varied interests, nobody was willing to construct a trans-Pacific cable. Cables can only be worked over the compara-



tively limited distance of about 3,000 miles without opportunity for relay. Under these conditions it was not until a single nation came to control a line of islands which would serve as landing places or relay stations for such a cable that any individual or group of capitalists were willing to undertake the building of a Pacific cable. When the United States came in possession of these islands, President McKinley recommended to Congress the construction of a Pacific cable by the United States, or such other legislation as would render the construction of such cable practicable. Congress subsequently passed an act authorizing the landing of a Pacific cable on the shores of the United States and its various islands—Hawaii, Wake Island, Guam, and the Philippines—and in the latter part of 1902 the construction of this cable line was begun by The Commercial Cable Company, with Mr. Mackay at its head. By the end of the year it had been completed as far as the Hawaiian Islands, and on July 4, 1903, it was opened to Manila with appropriate ceremonies, including a message by President Roosevelt to Governor Taft and the people of the Philippine Islands, and another brief message sent literally round the world, passing from New York across the continent, under the Pacific, thence across Asia and Europe to the Atlantic, and under that ocean again to New York, in an incredibly brief space of time. Thus the Republican party in obtaining control of this line of islands, in conjunction with its favorable legislation, rendered possible this great service not only to the nation but to the world—a direct cable connecting America with Europe and Asia across the Pacific Ocean.

#### Rapid Growth in Our Sales to Asia and Oceania.

Fiscal year ending June 30—	Exports.					
	Europe.	North America.	South America.	Asia and Oceania.	Africa and other countries	Total.
1896.....	\$673,043,753	\$116,567,496	\$36,297,671	\$42,827,258	\$13,870,760	\$882,606,938
1897.....	813,385,644	124,958,461	33,768,646	61,927,678	16,953,127	1,050,993,556
1898.....	973,806,245	139,627,841	33,821,701	66,710,813	17,515,739	1,231,482,330
1899.....	936,602,093	157,931,707	35,659,902	78,235,176	18,594,424	1,227,023,302
1900.....	1,040,167,703	187,394,625	38,945,763	108,305,082	19,469,849	1,394,483,082
1901.....	1,136,504,605	196,534,460	44,400,195	98,783,113	25,542,618	1,487,764,991
1902.....	1,008,033,981	203,971,080	38,043,617	110,202,118	33,468,605	1,381,719,401
1903.....	1,029,256,657	215,482,769	41,137,872	106,770,591	38,436,853	1,420,141,679
Increase, 1896 -1903, per cent.....	52.9	84.8	10.	149.1	176.5	60.9

#### Our Exports to the Orient in 1903 Compared with 1890.

The following table shows the exportation of leading articles from the United States to China, Hongkong, Japan, Asiatic Russia, Australasia, Hawaii and the Philippine Islands in the fiscal years 1890 and 1903, respectively:

Articles.	1890.	1903.
Iron and steel and manufactures of.....	\$2,928,971	\$11,705,055
Cotton cloth.....	1,532,181	14,764,403
Mineral oils.....	7,246,111	10,438,001
Breadstuffs.....	3,521,936	16,965,291
Cotton, unmanufactured.....	85,211	7,557,498
Tobacco and manufactures of.....	2,017,508	3,851,712
Wood and manufactures of.....	2,117,058	4,260,455
Chemicals.....	1,070,462	2,058,444
Leather and manufactures of.....	732,260	2,494,460
Paper and manufactures of.....	128,277	2,044,790
Provisions.....	518,190	1,864,517
Carriages and cars.....	424,952	1,737,803
Agricultural implements.....	575,254	1,438,474
Fertilizers.....	114,988	568,460
Fruits and vegetables.....	441,430	983,788

I have not been for either peace at any price or war at any cost. I have been steadfastly for peace if it could be maintained honorably and for war if the national dignity and honor required it.—Hon. C. W. Fairbanks, in U. S. Senate, April 14, 1898.



*Commerce of the United States with Oceania, 1889 to 1903.*

Calendar year.	British Australia.		Hawaiian Islands.		Philippine Islands.		French Oceania.		All Oceania.	
	Imports into United States from.	Exports from United States to.	Imports into United States from.	Exports from United States to.	Imports into United States from.	Exports from United States to.	Imports into United States from.	Exports from United States to.	Imports into United States from.	Exports from United States to.
1889	\$6,101,781	\$11,509,775	\$14,075,336	\$4,034,747	\$15,672,471	\$164,358	\$185,350	\$372,141	\$36,034,938	\$16,081,021
1890	4,213,595	11,651,398	12,386,092	4,945,775	6,067,224	153,904	213,107	364,143	22,880,018	17,118,220
1891	7,407,577	13,561,921	11,644,168	4,876,090	5,649,151	46,382	309,109	377,718	25,010,005	18,865,111
1892	8,312,537	9,072,470	7,854,090	2,920,722	7,177,901	101,253	261,208	303,999	23,605,736	12,398,354
1893	6,444,472	7,576,890	10,468,268	3,274,930	10,509,048	220,596	438,457	321,755	27,860,245	11,394,171
1894	3,402,317	8,510,991	8,970,833	3,242,569	4,476,172	84,099	316,628	276,813	16,165,940	12,114,462
1895	5,750,085	9,817,074	8,081,035	4,122,546	4,120,134	140,455	201,871	246,886	18,153,125	14,326,961
1896	6,651,626	17,152,566	15,241,805	4,184,351	5,187,241	174,257	263,303	262,794	27,351,236	21,858,359
1897	5,858,613	15,412,408	15,311,685	6,478,224	4,352,181	69,459	367,976	320,721	25,987,853	21,341,877
1898	5,671,110	17,653,277	16,587,317	6,827,818	4,099,525	147,846	205,974	267,118	26,883,893	24,981,163
1899	3,527,285	24,142,591	22,188,396	11,305,581	4,903,467	1,663,213	348,668	330,347	32,656,083	37,542,936
1900	5,262,962	28,163,722	9,253,556	7,474,961	6,095,949	3,523,146	499,532	349,875	23,067,642	39,805,176
1901	4,839,128	30,569,814	(a)	(a)	3,737,071	4,173,357	834,312	406,203	10,813,409	a 35,288,230
1902	6,053,724	28,101,784	(a)	(a)	10,211,303	4,736,836	572,416	388,928	18,405,937	a 33,567,924
1903 <sup>a</sup>	6,975,818	31,894,637	(a)	(a)	12,453,318	4,746,592	621,800	419,592	21,782,837	a 37,281,664
Per cent of increase (+) or decrease (-).....	+ 14.33	+ 177.12	.....	.....	- 20.54	+ 2,787.97	+ 235.47	+ 12.75	- 39.55	+ 131.83

<sup>a</sup> The commerce between the United States and Hawaii is not included in the statements of the foreign trade of the United States after June 30, 1900. The shipments from the United States to the Hawaiian Islands amounted to \$10,942,061 in 1903. For 1902 no official figures are available. The shipments from the Hawaiian Islands into the United States amounted to \$24,730,060 in 1902 and to \$26,242,869 in 1903.

## EXPANSION AND ITS RESULTS.

The opposition to the control by the United States of non-contiguous territory, which was such an important feature of the campaign waged against the Republican party in 1900, has practically disappeared. Commerce between the United States and its noncontiguous territory already aggregates, in the brief time since the additions of those territories, 100 million dollars per annum. Of this sum about 40 millions is in the form of shipments to those various noncontiguous territories under the flag and government of the United States.

### HAWAII.

In the case of the Hawaiian Islands, which a Democratic President, Franklin Pierce, and his Secretary of State, Mr. Marcy, attempted to annex in 1853-54, and in which President Cleveland caused the American flag to be hauled down in 1893, the annexation completed in the early part of President McKinley's Administration has been fully justified. Not only have conditions in the islands improved, increased sums of American capital been invested there, and new areas brought under cultivation, but markets for increased quantities of products from the United States have been made in the islands in exchange for the increased contributions of these islands to our tropical requirements. The commerce between the Hawaiian Islands and the United States has more than doubled in the brief period since the inauguration of a Republican President, McKinley, assured the people of those islands that their long-deferred hopes for annexation to the United States were to be realized. In 1896 they supplied the United States with \$11,575,704 worth of tropical products required by our people, and took in exchange \$2,985,707 worth of our merchandise. In 1903 they contributed \$26,242,869 worth of tropical products (chiefly sugar) to our requirements and took \$10,840,472 worth of the products of our farms and factories. Thus in this brief period, from 1896 to 1903, we have increased our purchases from the Hawaiian Islands 127 per cent. and have increased our sales to them 175 per cent, while the figures of 1904 will exceed those of 1903 both as to purchases from and sales to the islands. Investments of capital from the United States in the Hawaiian Islands now aggregate nearly or quite 100 million dollars.

### PORTO RICO.

In the case of Porto Rico the growth has been even more striking. In 1897, the year prior to annexation, Porto Rico contributed to the tropical requirements of the United States \$2,181,024 worth of her products, and in 1903 \$11,057,195, or more than five times as much in 1903 as in 1897. In exchange she took in 1897 \$1,988,888 worth of products of the United States and in 1903 \$12,246,225 worth, or more than six times as much as in 1897. Money from the United States aggregating from 10 to 15 millions of dollars has been invested in the island, and general conditions not only as to commerce but in education, government, legislation, road making, and general prosperity of the people have greatly improved.

### THE PHILIPPINES.

With the Philippine Islands commerce has also grown rapidly and gives promise of further great development. The total imports into the United States from those islands have grown from \$4,383,740 in the fiscal year 1897, that which immediately preceded their control by the United States, to \$11,373,584 in 1903. Exports from the United States to the islands in 1897 were \$94,597 and in 1903 were \$4,039,909, and in the fiscal year 1904 will considerably exceed those of 1903.

The question of applying the coastwise laws of the United States to commerce between the Philippine Islands and the ports of the United States was further considered at the last session of Congress, and an act passed which extends to July 1, 1906,

the provision of the act requiring all commerce between the United States and the islands to be carried in American vessels. The determination of the class of vessels which shall be used in the commerce between the islands themselves was left to the Philippine Commission.

#### ALASKA.

Alaska, a noncontiguous area whose purchase was severely criticised by the Democrats when it occurred under an earlier Republican administration, is becoming an important factor both in its gold supply, which amounts to about \$5,000,000 annually, and in its contributions of fish, furs, and other merchandise amounting to \$10,228,069 in 1903, while in return it has made a market for \$9,479,721 of merchandise from the United States. Large sums of capital from the United States are being invested in Alaska in the opening of mines, in the fisheries, in building railroads to the interior by which the mining facilities will be greatly improved, and the Department of Agriculture gives assurance that considerable sections will in time prove valuable for agricultural purposes to such an extent as to supply a considerable share of the local requirements of what promises to be a large and industrious population. The explorations thus far justify the belief that the gold-producing area and possibilities of Alaska are very great, and that it will not only supply large quantities of the precious metals to the United States, but in turn increase its takings of the products of our farms and factories for the people employed in the mines and in the other industries now growing up in that section.

#### TARIFF RELATIONS BETWEEN THE ISLANDS AND THE UNITED STATES.

Regarding the collection of duties on merchandise passing between the United States and its noncontiguous territories, it is proper to say that no customs duties exist except with reference to the commerce between the Philippine Islands and the United States. Alaska has been for many years a customs district of the United States, and therefore merchandise passing between that territory and the various ports of the United States is considered as coastwise commerce and pays no duty on entering the ports, whether it be merchandise from Alaska to the United States or from the ports of the United States to Alaska. This is also true of the Hawaiian Islands and Porto Rico. For many years under the reciprocity treaty practically all of the products of Hawaii seeking a market were admitted free of duty into the United States and a large share of the products of the United States were admitted free of duty into the Hawaiian Islands, but on the admission of the Hawaiian Islands as a Territory of the United States our coastwise laws were extended to the islands, and the same freedom of intercourse between the islands and the various ports of the United States now exists as is the case in ocean transportation between New York and New Orleans or between any of the coast or interior cities of the country. This is also true at the present time of Porto Rico. Originally the rate of duty on merchandise passing between Porto Rico and the United States was reduced to 15 per cent. of the regular Dingley law rates. The duties thus collected on merchandise entering the United States from Porto Rico were refunded (less the cost of collecting the same) to the Porto Rican Government, while, of course, the tariff collected in Porto Rico from articles entering that island from the United States also went to the support of that government. The act provided that "whenever the legislative body of Porto Rico should enact and put into operation a system of local taxation sufficient to meet the necessities of the government of the island, the President might terminate the collection of all duties on merchandise passing between the island and the United States in either direction and that in no event should such duties be collected after March 1, 1902. The Porto Rican legislature on assembling immediately passed an act providing for the collection of sufficient funds for the support of the local government, and the President, having been notified of this fact, terminated on July 4, 1901, by proclamation the collection of duties on merchandise passing between the island and the United States.



The tariff relations with the Philippine Islands are at present as follows: A reduction of 25 per cent. in the rates of duty has been made on all merchandise entering the United States from the Philippine Islands, and a bill is now pending in Congress increasing that reduction to 75 per cent. of the regular Dingley law rates. All of the duties collected in the United States on merchandise coming from the Philippines, as well as the tonnage dues, are turned over by the United States Government to the Philippine treasury for the benefit of the islands; also the Philippine government is required to refund the export duties upon hemp and any other products of those islands bearing an export duty in the event the same are exported to the United States.

The tariff of the Philippine Islands is described in the chapter upon the islands and their present condition. Under it merchandise from the United States entering the Philippine Islands pays the same rates of duty as merchandise from any other country. This insistence upon full rates of duty on merchandise from the United States entering the Philippine Islands is necessary under the provisions of the treaty with Spain by which the Philippines were transferred to the United States. That treaty provided that "The United States will for ten years from the date of exchange of ratifications of the present treaty admit Spanish ships and merchandise to the ports of the Philippine Islands on the same terms as ships and merchandise of the United States." This, therefore, prevents a reduction or removal of duties on merchandise from the United States entering the Philippine Islands until 1909, the exchange of ratifications having occurred April 11, 1899. This does not, however, prevent a further reduction or removal of the rates of duty on articles from the Philippines entering the United States and, as above indicated, a bill reducing the rates of duty on such articles to 25 per cent. of the Dingley law rates is now pending in Congress.

#### Western Coast Brought Much Nearer to European Markets.

The following table shows the distances between the various great centers of Europe and the Pacific coast cities of the United States by the Panama and Cape Horn routes, respectively, and suggests the value which this canal will be to the great Pacific coast in bringing it into direct touch with European markets:

		Victoria.		Seattle.		Tacoma.		Sitka.		Honolulu.	
		Via Cape Horn.	Via Panama Canal.	Via Cape Horn.	Via Panama Canal.	Via Cape Horn.	Via Panama Canal.	Via Cape Horn.	Via Panama Canal.	Via Cape Horn.	Via Panama Canal.
1	St. Petersburg.	15,842	9,958	15,912	10,028	15,930	10,046	16,388	10,504	15,243	10,662
2	Stockholm.	15,544	9,657	15,614	9,727	15,632	9,745	16,090	10,203	14,945	10,361
3	Copenhagen.	15,107	9,220	15,177	9,290	15,195	9,308	15,653	9,766	14,508	9,924
4	Bergen.	15,002	8,863	15,072	8,933	15,090	8,951	15,548	9,409	14,403	9,567
5	Glasgow.	14,506	8,597	14,576	8,667	14,594	8,685	15,052	9,143	13,907	9,301
6	Dublin.	14,328	8,543	14,398	8,613	14,416	8,631	14,874	9,099	13,729	9,247
7	London.	14,514	8,862	14,584	8,932	14,602	8,950	15,060	9,408	13,915	9,566
8	Liverpool.	14,397	8,624	14,467	8,694	14,485	8,712	14,943	9,170	13,798	9,328
9	Hamburg.	14,805	9,143	14,875	9,213	14,893	9,231	15,351	9,689	14,206	9,847
10	Amsterdam.	14,571	8,919	14,641	8,989	14,659	9,007	15,117	9,465	13,972	9,623
11	Antwerp.	14,541	8,889	14,611	8,959	14,629	8,977	15,087	9,435	13,942	9,593
12	Havre.	14,346	8,676	14,416	8,746	14,434	8,764	14,892	9,222	13,747	9,380
13	Marseille.	14,179	9,084	14,249	9,154	14,267	9,172	14,725	9,630	13,580	9,788
14	Lisbon.	13,510	8,224	13,580	8,294	13,598	8,312	14,056	8,770	12,911	8,928
15	Gibraltar.	13,489	8,394	13,559	8,464	13,577	8,482	14,035	8,940	12,890	9,094
16	Naples.	14,475	9,380	14,545	9,450	14,563	9,468	15,021	9,926	13,876	10,084
17	Triest.	15,170	10,075	15,240	10,145	15,258	10,163	15,716	10,621	14,571	10,779
18	Constantinople.	15,326	10,231	15,396	10,301	15,414	10,319	15,872	10,777	14,727	10,935
19	Odessa.	15,673	10,578	15,743	10,648	15,761	10,666	16,219	11,124	15,074	11,282
20	Alexandria.	15,294	10,199	15,364	10,269	15,382	10,287	15,840	10,745	14,695	10,903
21	Tripoli.	14,582	9,487	14,652	9,557	14,670	9,575	15,128	10,033	13,983	10,191
22	Algiers.	13,898	8,803	13,968	8,873	13,986	8,891	14,444	9,349	13,299	9,507
23	Tangier.	13,489	8,394	13,559	8,464	13,577	8,482	14,035	8,940	12,890	9,098
24	Funchal.	13,001	7,803	13,071	7,873	13,089	7,891	13,547	8,349	12,402	8,507
25	Habana.	13,858	5,082	13,928	5,152	13,946	5,170	14,404	5,628	13,259	5,786

NOTE.—The distance through the Straits of Magellan is from 400 to 500 miles shorter than around Cape Horn.

A full day's work must be paid in full dollars.—Maj. McKinley at Canton, 1896.

# THE NONCONTIGUOUS TERRITORY OF THE UNITED STATES.

## The Philippines, the Hawaiian Islands, Porto Rico—The Conditions in These Islands—Their Growing Contributions to Our Tropical Requirements and Growing Importance as Customers for Our Products.

The fact that the policy of the administration in bringing the noncontiguous and tropical territory of the Philippine and Hawaiian islands and Porto Rico under the control of the United States continues to be the subject of more or less criticism, seems to justify a somewhat elaborate review of conditions in those islands, and this is given in the following pages, beginning with the Philippine Islands and following with the Hawaiian Islands and Porto Rico.

To this general presentation of conditions in these islands are added some facts about the great growth of our trade with them and the rapidity with which they are coming to supply our requirements in tropical productions. The fact that the United States expends annually more than 400 millions of dollars for tropical and subtropical products from other parts of the world, and that these islands are already rapidly increasing their contributions to that requirement, is important, and *especially so because of the fact that the islands in turn buy of our products practically as much in value as they sell to us.* This feature, and that of the growth of our demand for tropical products, is discussed in extracts from the Annual Review of the Foreign Commerce of the United States, issued by the Department of Commerce and Labor through its Bureau of Statistics, which follow the discussion of conditions in the islands.

### THE PHILIPPINES.

#### The Restoration of Peace.

The sovereignty of the United States is established in the Philippine Islands, is accepted by the inhabitants, and is acceptable to them.

Tranquillity prevails throughout the islands to a greater degree and over a larger area than at any period during the centuries the archipelago was subject to the sovereignty of Spain. Such resistance to governmental authority as exists to-day does not result from efforts to expel the sovereignty of the United States; it results from the action of turbulent violators of the civil and criminal laws—bands of ladrones, highwaymen, robbers, etc.

#### The Central Government and Legislative Authority.

Civil government in the Philippine Islands under American sovereignty, as distinguished from military administration, dates from the appointment by President McKinley, in March, 1900, of the Taft Philippine Commission. In creating this Commission and authorizing it to assume and discharge the functions of government the President exercised the war powers of the nation, and the Commission thus created was an instrumentality for the exercise of the authority of the President as Commander in Chief of the Army and Navy of the United States to administer the affairs of civil government in territory subject to military occupation. The Commission was a civilian agency for the exercise of the powers of a military government; it consisted of Hon. William H. Taft, of Ohio; Prof. Dean C. Worcester, of Michigan; Hon. Luke E. Wright, of Tennessee; Hon. Henry C. Ide, of Vermont; and Prof. Bernard Moses, of California. The general purpose of the Commission was, as stated by the President—

to continue and perfect the work of organizing and establishing civil government already commenced by the military authorities, subject in all respects to any laws which Congress may hereafter enact.



As the fundamental step in giving civil government to the people of the Philippines, it was determined that there should be a separation of the executive, the legislative, and judicial branches, and that the powers of these several branches should be exercised by different persons. The legislative powers were conferred upon the Commission, the judicial powers were to be exercised by the courts to be established through legislative action of the Commission, and the authority to exercise the executive powers was continued in the commander of the military forces of the United States maintaining the occupation of the islands.

The scope of the legislative authority conferred upon the Commission was declared in the instructions as follows:

Exercise of this legislative authority will include the making of rules and orders, having the effect of law, for the raising of revenue by taxes, customs, and duties, and imposts; the appropriation and expenditure of public funds of the islands; the establishment of an educational system throughout the islands; the establishment of a system to secure an efficient civil service; the organization and establishment of courts; the organization and establishment of municipal and departmental governments, and all other matters of a civil nature for which the military governor is now competent to provide by rules or orders of a legislative character.

The sessions of the Commission, wherein they have exercised legislative power, have been stated and public. Their legislative enactments have been publicly introduced and printed in the form of bills. When of general public interest they have been made the subject of public hearings before committees, which the people of the island have freely attended, and at which their views have been freely expressed.

In June, 1901, the President issued an order transferring from the military governor to the president of the Philippine Commission the authority to exercise the powers of the executive branch of government in all the pacified provinces of the islands, but continuing the authority of the military governor to exercise executive authority in those districts in which the insurrection continued to exist. The order also appointed the Hon. William H. Taft civil governor of the Philippine Islands.

On the 1st of September, 1901, a further step toward civil executive organization was made by the establishment of separate executive departments, to which members of the Commission were assigned as follows: Department of the interior, Dean C. Worcester; department of commerce and police, Luke E. Wright; department of finance and justice, Henry C. Ide; department of public instruction, Bernard Moses.

The administrative affairs of the government are apportioned among the several departments as follows:

The department of the interior has under its executive control a bureau of health, the quarantine service of the marine-hospital corps, a bureau of forestry, a bureau of mining, a bureau of agriculture, a bureau of fisheries, a weather bureau, a bureau of ethnology (Pagan and Mohammedan tribes), a bureau of public lands, a bureau of government laboratories, a bureau of patents and copyrights.

The department of commerce and police has under its executive control a bureau of island and interisland transportation, a bureau of post-offices, a bureau of telegraphs, a bureau of coast and geodetic survey, a bureau of engineering and construction of public works other than public buildings, a bureau of insular constabulary, a bureau of prisons, a bureau of light-houses, a bureau of commercial and street railroad corporations, and all corporations except banking.

The department of finance and justice embraces the bureau of the insular treasury, the bureau of the insular auditor, a bureau of customs and immigration, a bureau of internal revenue, the insular cold-storage and ice plant, a bureau of banks, banking, coinage, and currency, and the bureau of justice.

The department of public instruction embraces a bureau of public instruction, a bureau of public charities, public libraries, and museums, a bureau of statistics, a bureau of public records, a bureau of public printing, and a bureau of architecture and construction of public buildings.

At the same time, by appointment by the President, three distinguished Filipinos, Señor Trinidad H. Pardo de Tavera, of



Manila, Señor Benito Legarda, of Manila, and Señor José Luzuriaga, of Negros, were added to the Commission.

On the 29th of October, 1901, in order to relieve somewhat the great pressure of official duties devolving upon Governor Taft, the President created the office of vice-governor, and appointed Hon. Luke E. Wright to that position.

Mr. Wright became president of the Commission in 1903, succeeding Judge Taft, who resigned to accept the position of Secretary of War.

Pursuant to the instructions of the President, the Commission, by appropriate legislation, made provision for municipal governments to be established throughout the islands as rapidly as conditions permitted. They also passed a general act for the organization of provincial governments in the Philippine Islands. A judicial system was created under which civil courts assumed the exercise of judicial powers. An insular constabulary and municipal police were created and installed, a civil-service law was enacted and put into successful and satisfactory operation. A system of account and audit was adopted and rigorously enforced. A system of education was adopted and installed. Forestry laws providing for the preservation and utilization of the public forests were adopted and enforced, and an extensive system of public improvements and repairs adopted and entered upon. Adequate means of securing revenue by the levy of duties and taxes were devised and put in force.

When the Fifty-seventh Congress of the United States assembled in its first session on December 2, 1901, that body entered upon the work of formulating legislation to provide for the administration of the affairs of civil government in the Philippine Islands. Upon investigation Congress found that there existed in said islands a government formulated with fidelity to the principles of liberty, equality, and justice prevailing in the United States, and administered with due regard for the welfare of the interests involved; whereupon Congress, by appropriate legislation, continued the existence of that government and placed the seal of legislative approval upon the governmental organization and ratified, approved, and confirmed each and every one of the acts theretofore done and performed in connection therewith, and in addition conferred upon said government additional authority and rights which the President had not authority to bestow.

Pursuant to this legislation of Congress, there has been established in the Philippines and extended throughout the civilized portions of those islands a civil government which in certain respects is more extensive in its local and independent character than that which exists in any of the States or Territories. Not being limited by the Constitution in its legislation on this subject, as in matters relating to the States, Congress was able to delegate to the local government of the Philippines certain valuable powers which can not be given to the several States. For instance, Congress authorized the government of the Philippine Islands, in time of peace, to impose tariff duties on goods coming from ports of the Union into ports of the Philippine Islands. Congress also conveyed to that local government all the public property in the archipelago which by reason of the conquest of the islands and the treaty of Paris has passed from the Crown of Spain to the United States. This property included public buildings and improvements, streets, parks, highways, the beds of streams, the submerged soil of the coast, and also the mineral wealth and the vast tropical forests of valuable woods throughout the islands. Furthermore, Congress allowed the government of the Philippines to issue its own currency and assume direction and control of its postal service. These are all subjects regarding which no State of the Union possesses separate and individual power of management.

No integral or segregated portion of the territory subject to the sovereignty of the United States is to-day exercising by itself and for itself so many of the powers of sovereignty as is the Philippine Archipelago.

The powers of the legislative branch of the Philippine government are exercised by the Philippine Commission, composed of five Americans and three Filipinos, appointed by the President. By the existing law of Congress provision is made whereby two

years after the completion and publication of the census now being compiled the legislative power is to be vested in a legislature, consisting of two houses—the Philippine Commission and the Philippine Assembly, the latter house to be elected by the inhabitants of the islands.

The powers of the judicial branch are exercised by a supreme court composed of seven members, appointed by the President, three of whom are natives of the islands. The courts of first instance and inferior courts are presided over by judges appointed by the Commission. Of the present judges of the courts of first instance 15 are Americans and 6 are natives. Of the minor courts nearly all of the judges are natives.

The powers of the administrative branch of the government are exercised by the governor and four executive departments heretofore referred to, namely, interior, commerce and police, finance and justice, and public instruction, resembling in character the administrative departments at Washington.

The municipal governments and the provincial governments are administered by officials selected by the popular votes of the inhabitants.

#### **Municipal Governments.**

After investigation and deliberation, there was enacted by the Philippine Commission a general act for the organization of municipal government in the Philippine Islands, which act was carried into effect throughout the islands as rapidly as conditions warranted.

The municipality was made the political unit, and the entire territory of the islands is divided into such units. The municipal subdivisions in the Philippines correspond to the towns of New England and the townships in other portions of the United States, and taken together include all the territory of the islands. At the present time this municipal code or charter has been applied to all the municipalities in the thirty-four Christian provinces hereinafter mentioned, except that the city of Manila has been incorporated under a special charter.

This general law of municipalities provides that the powers of the municipality are to be exercised by a president, a vice-president, and a municipal council, to be chosen by the qualified electors of the municipality, to serve for two years and until their successors are chosen and qualified. The law provides that the electors charged with the duty of choosing elective municipal officers shall be male persons above the age of 23, and to have a legal residence in the municipality in which they exercise the suffrage for a period of six months immediately preceding the election, and who are not citizens or subjects of any foreign power, and who are comprised within one of the following three classes:

(a) Those who, prior to the thirteenth of August, eighteen hundred and ninety-eight, held the office of municipal captain, gobernadorcillo, alcalde, lieutenant, cabeza de barangay, or member of any ayuntamiento.

(b) Those who own real property to the value of five hundred pesos, or who annually pay thirty pesos or more of the established taxes.

(c) Those who speak, read, and write English or Spanish.

There are 982 presidents or mayors of municipalities, 2,906 secretaries, treasurers, etc., of municipalities, and 8,159 counselors of municipalities, all Filipinos, duly elected and serving under the provisions of this municipal code.

*The organization of the 34 Christian provinces.*—The general provincial law under which the 34 Christian provinces are governed provides for a provincial government of five officers—the governor, the treasurer, the supervisor (who must be a civil engineer), the secretary, and the fiscal or prosecuting attorney. The governing board is called the provincial board, and includes as members the governor, the treasurer, and the supervisor. The prosecuting attorney is the legal advisor of the board and the secretary of the province is its secretary. The provincial government collects, through the provincial treasurer, the taxes, with few exceptions, belonging to the towns or the province; constructs highways, bridges, and public buildings, and supervises, through the governor and the provincial treasurer, the municipal officers in the discharge of their duties. Within certain limitations the provincial board fixes the rate of levy for provincial taxation.



The provincial governor is elected biennially, on the first Monday in February, by a convention consisting of counselors of every duly organized municipality in the province, which, after selecting a presiding officer and secretary, is to proceed by a secret ballot to choose a person to be the provincial governor, subject to confirmation by the Philippine Commission.

An election was held in 32 of the 34 Christian provinces on the first Monday in February, 1904, and at this time all the governors in these Christian provinces were elected to office in the manner above set forth, and for the first time all are Filipinos. The remaining provincial officers, including clerks of courts, members of boards of tax revision, etc., with the right of exercise of authority of government (but not including subordinate clerkships), are filled by 86 Americans and 238 Filipinos.

*The organization of the Moro Province.*—The Moro Province is divided into five districts and consists of all the island of Mindanao and its adjacent islands, except the provinces of Misamis and Surigao (which are within the 34 already mentioned), also the island of Isabela de Basilan, and the islands to the south of Mindanao in the archipelago. It embraces within its boundaries, therefore, all the Moros in the archipelago except a small number resident in the southern half of the island of Paragua and a possible few on the borders of the province of Misamis.

The executive head of the province is the governor, who has as his assistants the provincial secretary, the provincial attorney, the provincial engineer, the provincial superintendent of schools, and the provincial treasurer. These officers constitute the legislative council for the government, and in case of an even division, the proposition having the vote of the governor prevails.

#### **Administration of Justice.**

A complete judicial system has been provided for by legislative enactment of the Commission and inaugurated throughout the archipelago. A code of procedure, adapted from American usage, has been enacted, which has tended to remove many of the annoying delays and perplexing technicalities prevailing under the Spanish system, and, supplemented by such of the locally familiar Spanish laws as were continued in force, affords complete and practical means of exercising the powers of the judicial branch of government.

A new criminal code and code of criminal procedure are well under way and will soon be enacted into law, the effect of which will be in the direction of simplifying procedure and eliminating those provisions of the existing codes which pertain to the sovereignty of Spain, the union of church and state, the rigid restrictions on the exercise of discretion by the judges, the giving to private individuals the right to control and compromise criminal prosecution or to use such prosecutions for the purpose of blackmail and extortion, and the authority of the executive branch to control the action of the courts.

The judicial powers of the government of the islands are exercised by the following tribunals:

There is a justice of the peace and an auxiliary justice of the peace in each municipality, and in the city of Manila provision is also made for municipal courts.

The territory of the archipelago is divided into 15 judicial districts, in each of which there is a court of first instance. There is one judge assigned to each of these districts except that of the district of Manila, wherein the volume of business requires that the court be divided into four parts, each presided over by a judge. In addition there are three judges at large to fill vacancies caused by sickness or leave of absence.

The appellate jurisdiction is vested in the supreme court of the islands, which consists of seven members, three of whom are Filipinos.

An enactment of Congress provides that appeal may be made from the supreme court of the islands to that of the United States in matters in which the constitution or the rights and privileges of the United States are involved, or in causes in which the value in controversy exceeds \$25,000, or in which the title or possession



of real estate exceeding in value the sum of \$25,000, to be ascertained by the oath of either party or of other competent witnesses, is involved.

### **Civil Service in the Philippines.**

One of the first laws adopted by the Philippine Commission upon its assumption of legislative powers was an act providing for the organization of the civil service on the basis of merit.

It was the purpose of the Commission in passing the civil-service bill to provide a system which would secure the selection and promotion of civilian officials solely on the ground of merit, and would permit anyone, by a successful competitive examination, to enter the service and by the efficient discharge of his duties reach the head of any important department of the government.

This civil-service act provides that preference in appointment shall be given, first, to natives of the Philippine Islands, and, second, to honorably discharged soldiers, sailors, and marines of the United States.

At first, by reason of their lack of knowledge of the English language and of American methods, few Filipinos could be used to advantage in the administration of the central government at Manila; but with the progress they have made in acquiring a knowledge of the English language and of American methods, a large number now fulfill the civil-service requirements, and the proportion of places given to Filipinos in the general government is becoming much greater.

### **The Education of the Filipino.**

The work of providing educational facilities for the Filipinos is assumed by the general government of the islands; and to promote that endeavor there has been established a department of public instruction.

There are employed in this department between 2,500 and 3,000 Filipino teachers and nearly 1,000 American teachers, the latter engaged, primarily, in teaching English to the Filipino teachers in addition to the classes of children instructed by them. On the date of the last report of this department there were maintained in the archipelago about 2,000 primary schools and 38 secondary schools.

In addition to these primary classes the government maintains a number of technological schools, including a trade school and an agricultural school; normal institutes for the improvement of the native teachers are held during each school vacation. There is also maintained a well-equipped nautical school, developing persons qualified to become officers in the interisland merchant marine, and with the enlargement of this school it is hoped that ultimately many of these positions can be filled by natives of the islands. In this connection attention is called to the fact that apprentices are taken on in the government printing office at Manila, with the gratifying result that many Filipinos are now learning the useful trades to be acquired in that establishment.

Night schools are maintained in the city of Manila and in other places for the education of adults and others who are not at liberty to attend day school, and there was at the time of the last report an average daily attendance of 10,000.

### **The Monetary System.**

Under Congressional authority there has been inaugurated a complete currency system, which affords a fixed medium of exchange and does away with the fluctuation in value which was such a menace to trade in the old days.

The coinage of the islands is distinctive, showing that it is a coin of the Philippine Islands, and also showing such islands to be under the sovereignty of the United States. The silver coinage is based upon the decimal system, ranging in value from the ten-centavo piece to the one-peso piece. There is also a nickel coin of 5 centavos, and bronze coins of one and also one-half centavo. These coins have a fixed convertible value in United States currency in the ratio of 2 to 1. A gold reserve is maintained for the purpose of preserving this parity.

The islands have also a distinctive paper money, which shows that it is an issue of the Philippine government under the sovereignty of the United States. These silver certificates are issued in the denomination of 2, 5, and 10 pesos, and bear the vignettes, respectively, of José Rizal (a Filipino), McKinley, and Washington.

Merchants in the islands can buy exchange on New York by depositing with the insular government Philippine currency and paying a premium of three-fourths of one per cent. for demand drafts and of  $1\frac{1}{8}$  per cent. for telegraphic transfers. During the Spanish régime, as well as during the first years of American occupation, the currency of the Philippines was subject to the fluctuations of the silver bullion market, and trade was at the mercy of an ever-changing currency as well as an ever-changing rate of exchange. This great obstacle to commercial development and stability has been removed by the establishment of a fixed standard of value.

#### **Banks.**

In addition to the banks existing in Manila prior to American occupation, branch banks have been established by the Guaranty Trust Company of New York and the International Banking Corporation, and one private American bank has been established.

The inauguration of these banks is a great step forward in connecting the trade and financial affairs of the Philippines with those of the United States.

#### **Means of Communication.**

*Postal and telegraph service.*—Post-offices have been established throughout the entire archipelago, and mail matter is promptly forwarded from point to point with safety and reasonable regularity. The postal facilities include the issuance of money orders, which is an important factor, for commercial banks do not exist in the islands outside of Manila, Iloilo, and Cebu. Free-delivery service has been established in the city of Manila, the entire force of letter carriers being natives of the Philippine Islands. In the smaller towns of the archipelago, where the business does not justify the salary of a postmaster, teachers, officers of the constabulary, provincial and municipal officials, are appointed postmasters in addition to their other duties, with slight extra compensation. At the present time there are established in the Philippine Islands more than two hundred post-offices. The rates of postage are the same as in the United States.

*Telegraph lines.*—During military operation it was found necessary to construct telegraph and telephone lines connecting Manila with nearly every municipality in the islands, and in this manner some 8,000 miles of overland telegraph lines and cables were constructed. The withdrawal of garrisons necessitated the abandonment of many of the stations by the military, and these stations are being taken over by the civil government as fast as skilled operators can be secured. At the present time the archipelago is gridironed with 8,000 miles of land and sea telegraph and cable lines, and commercial messages can be sent to practically all points throughout the archipelago at rates considerably less than prevail in the United States.

*The new Pacific cable.*—The opening of the new Pacific cable on July 4, 1903, furnishes a direct means of communication between the United States and the Philippine Islands, and reduces the cost of messages not only to the Government but to private individuals.

*Highways.*—The general subject of improved transportation has been given primary consideration, especially in so far as it relates to highways. Extensive repairs and improvements to existing highways have been carried on throughout the provinces. For the general supervision of this work a bureau of engineering has been established and has for its representatives in the provinces the provincial supervisors. Although handicapped by losses of draft animals, the unsettled condition of labor, and remoteness from an adequate base of supplies, excellent progress has been made in the work of building new roads. This work has generally been performed under the direction of army engineers.

Nearly \$3,000,000 have been expended in the construction of what might be termed trunk line wagon roads, which, primarily



designed for military purposes, nevertheless are open to and afford facilities for the farmer and producer in civil life.

### **Eminent Domain.**

*Public lands.*—The total amount of land in the Philippines is approximated at 74,000,000 acres. Of this amount it is estimated that about 5,000,000 acres are owned by individuals, leaving in public lands about 69,000,000. The land has never been surveyed and these amounts are estimates.

The military government had no power to part with the public land, as that power belonged to Congress. In the Philippine government act of July 1, 1902, Congress conveyed to the government of the Philippine Islands all public property, including the public lands ceded to the United States under the treaty of Paris, and directed that government to classify according to its agricultural character and productiveness, and immediately to make rules and regulations for the lease, sale, or other disposition of the public lands other than timber and mineral lands, with the proviso, however, that such rules and regulations were not to go into effect or have the force of law until they should have received the approval of the President and been submitted by him to Congress.

The bureau of public lands, with a competent personnel, was immediately established, charged with the duty of making the necessary preliminary investigation and drafting the rules and regulations, *which have been enacted into law by the government.*

*Agriculture.*—The inhabitants of the Philippine Islands are essentially an agricultural people. Agriculture had, nevertheless, up to the time of the American occupation, been carried on in a very primitive fashion, with rude implements and antiquated machinery, and without the employment of suitable methods of cultivation. The results obtained, even under such conditions, afforded proof of the favorable character of the climate and the natural richness of the soil.

The insular government has created a bureau of agriculture to conduct investigations and disseminate useful information with reference to the agricultural resources of the Philippine Islands, the methods of cultivation at present in vogue and their improvement, the practicability of introducing new and valuable agricultural products, the introduction of new domesticated animals, and the improvement of the breeds of domesticated animals now in the islands, and, in general, to promote the development of the agricultural resources of the country.

*The purchase of the friar lands.*—At the time of the transfer of sovereignty three religious orders, the Dominicans, Augustinians, and Recoletos, held about 420,000 acres of agricultural lands. These lands were occupied by native tenants intensely hostile to the friars, and that hostility was unquestionably shared by the vast majority of the people of the islands. The relation of these landlords to their tenants and to the entire people was one of the chief causes of irritation and rebellion under Spanish rule.

The new conditions made it manifest that the interest of the religious orders required that they should convert into money this property, which they could no longer peacefully enjoy or practically make useful. At the same time the peace and order of the community, the good will of the people toward the Government of the United States, and the interest of an effective settlement and disposition of all questions arising between the church and state in the islands made it equally desirable that these lands should be purchased by the state and that opportunity to secure title upon reasonable terms should be offered to the tenants and to other inhabitants of the islands.

The act of Congress approved July 1, 1902, commonly known as the "Philippine government act," authorized the Commission to acquire title to the lands of religious orders held in such large tracts as to affect injuriously the peace and welfare of the people of the islands; to issue bonds in payment for such land; to sell the land, with a preference to actual settlers and occupants; and to apply the proceeds to paying the principal and interest of the bonds. After numerous propositions and counter propositions had been rejected an agreement was reached whereby was closed the purchase of 410,000 acres at a price of \$7,239,000 in gold.



This amount was paid in cash from funds realized from the sale of bonds of the Philippine government bearing interest at the rate of 4 per cent. per annum, which bonds were sold in the United States at the rate of \$107,577.

### **The Philippines Customs Tariff.**

The revision of the tariff was commenced by a board of officers at Manila, then turned over to the Philippine Commission, whose preliminary draft was forwarded to Washington and opportunity given to the exporters and importers of the United States to express their opinions. This privilege was also extended to the merchants and exporters and importers in Manila, in public hearings, before the Philippine tariff was formally enacted into law. The tariff law was finally enacted by the Philippine government, and subsequently received the approval of the Congress of the United States.

The rates in no case, except on articles of luxury, such as sparkling wines and fine china, are high. Articles of necessity have been taxed lightly; those needed in the development of agriculture and for the improvement of roads and transportation are also low. Prohibitive rates have been avoided, and the rapid progress and development of the islands have been kept steadily in view, together with the other side of the question, that the insular government must have revenue for current expenses and for needed improvements. The duties, on the whole, are lower than the old Spanish tariff or the tariff at present in force in the United States. The present tariff will average about 18½ per cent. ad valorem.

The enactment of Congress approving the Philippine tariff also provided for a reduction of 25 per cent. of the Dingley tariff upon imports into the United States from the Philippines, and, further, that all duties collected in the United States on articles coming from the Philippines, as well as tonnage dues, should be held as a separate fund to be paid into the Philippine treasury for the benefit of the islands; also that the Philippine government should refund the export duties imposed upon hemp and other products of those islands in the event the same were exported to the United States.

### **Foreign Commerce.**

Complete Philippine trade statistics during Spanish administration are not available, except those for an occasional year or two, though enough reliable data warrant the statement that, based on an annual average valuation of \$35,000,000 worth of imports and exports, the United Kingdom, United States, Spain, and China have been the chief beneficiaries of that trade in the past, enjoying practically 80 per cent. of the total commerce. While these countries continue to hold a large portion of the trade, the business transacted since American occupation indicates a wider distribution as well as a relative change in the amount credited for recent years.

During the five years of American administration the islands' commerce has increased more than 150 per cent., advancing from \$25,000,000 in 1899 to \$40,350,000 in 1900, to \$53,490,000 during the next year, then to \$56,000,000 in 1902, and at the close of the year ending June 30, 1903, the commerce had reached a value of more than \$66,000,000.

In the exports we find a showing that is remarkable, though adverse agricultural conditions have limited development along some lines. With but \$12,000,000 worth of products in 1899, the trade has steadily increased each year until in 1903 it amounted to over \$33,000,000, or sufficient to bring about a slight balance of trade in favor of the islands.

Until 1902 trade with the United Kingdom, aside from its colonial possessions, ranked first in importance, taking about one-third of the total, always receiving more of the island's products than her exports there would pay for.

The United States was second in importance up to the time of the enormous increase in direct shipments of Manila hemp, the legislation passed by Congress on March 8, 1902, enabling this country to take front rank almost immediately.

The significance of these facts may be appreciated when it is understood that two-fifths of the Philippine exports consist of hemp, and by reason of the \$21,000,000 worth sold last year a balance of trade in favor of the islands is shown for the first time since 1896. Practically two-thirds of this amount came to the United States, which is unparalleled in the history of the trade. Details of the commerce between the Philippine Islands and the United States are stated elsewhere in this work.

The Philippine government has made purchase in the United States of supplies and other materials for public improvements and other purposes to a value exceeding \$12,000,000 out of the revenues of the islands. These figures are not included in the volume of trade hereinbefore outlined.

#### Sources of Revenue.

The Philippine government is authorized by Congress to levy its own taxes and disburse its own revenues, and, with the exception of an appropriation of a \$3,000,000 relief fund by Congress, all the expense of the administration of the government has been met by the revenues of those islands. The municipal corporations, under the direction of the provincial governments, collect and disburse their own revenues, and with the exception of loans made to these provinces by the general Philippine government from time to time, which ultimately are repaid, these subgovernments are self-supporting and meet all expense of administration.

#### Philippine Bonded Indebtedness.

The funded debt of the Philippine Islands imposed by the American Government has been small. So far from imposing a burden on the resources of the islands, its borrowings have thus far been an actual source of profit to the Philippine treasury. The debt of the islands under Spanish authority, amounting to about \$40,000,000, was gotten rid of by the transfer of sovereignty and the payment by the United States of \$20,000,000. The present interest-bearing obligations of the Philippine government are as follows:

One-year certificates of indebtedness, under authority of the coinage act .....	\$3,000,000
Second series of such certificates .....	3,000,000
Bonds for taking up the lands of the friars .....	7,000,000
Total .....	13,000,000

A third series of one-year certificates paying 4 per cent. has just been awarded at a premium of 1.181 per cent., or \$35,430; but as they take the place of the first issue which is about maturing, they do not add to the total debt or the permanent interest charge. The permanent interest account of the Philippine government upon its present obligations stands thus:

#### GROSS EXPENDITURES.

Interest on \$6,000,000 one-year certificates, at 4 per cent .....	\$240,000
Interest on \$7,000,000 of bonds, at 4 per cent.....	280,000
	520,000

#### DEDUCTIONS.

Average premiums on sale of one-year certificates .....	\$142,590
Average annual premium on ten-year bonds .....	63,000
Interest on gold-reserve funds.....	90,000
	295,590

Net annual charge upon the Philippine revenues..	224,410
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The customs receipts, which constitute the principal revenue of the islands, are about \$10,000,000. The net burden, therefore, for interest on the existing debt is \$224,410, or at the rate of a little less than  $2\frac{1}{4}$  per cent of the customs receipts. There is probably no civilized state in the world to-day—unless it is the little principality of Monaco, whose revenue is derived from the gaming table—which is not compelled to devote a larger part of its revenues than  $2\frac{1}{4}$  per cent. to the interest on its public debt. The

present debt of the Philippine Islands being \$15,000,000, amounts to about \$1.62 per capita for a population of 8,000,000, and the annual net interest charge to less than four cents per capita. The United States has a per capita debt of at least \$12 and annual charges of more than 30 cents. Great Britain has a debt in excess of \$90 per capita and interest charges of \$3. France has a debt of nearly \$150 for each of her people and an annual interest burden of \$6.

It is true that these are richer countries than the Philippines and that their gross revenue is larger. The true test of interest burdens should perhaps be the ratio which they bear to gross revenue. But here also the test is in favor of our island dependencies. In France 30 per cent. of the revenue goes to meet the charges on the debt; in Great Britain 19 per cent.; even in the United States about 5 per cent, without counting State and local indebtedness. In the Philippines the proportion is about  $2\frac{1}{4}$  per cent. Tried by every test, therefore, the burden on the people of the Philippines for their bonded debt is among the lightest imposed by modern states, and they are well able to make a further appropriation from revenue to provide for railways and other public improvements.

There are few, if any, civilized states, moreover, which have so much to show as the Philippines for the debt which they have incurred.

#### Expenses in the Philippines.

The Secretary of War reported to the Senate June 19, 1902, that "the amount of money expended, and the amount," so far as practicable to state it, "for which the Government of the United States is liable, remaining unpaid for equipment, supplies, and military operations in the Philippine Islands each year from May 1, 1898, to the present time," aggregate \$170,326,586.11, as follows:

	Expenditures.	Liabilities.
Adjutant-General's Department.....	\$555.21	.....
Quartermaster's Department.....	74,344,395.17	\$462,158.92
Subsistence Department.....	21,252,272.93	.....
Pay Department.....	63,926,262.11	.....
Medical Department.....	3,878,756.58	4,251.14
Engineer Department.....	148,022.15	2,000.00
Ordnance Department.....	4,802,033.82	.....
Signal Office.....	1,322,712.88	4,663.23
Secretary's Office:		
Disbursing clerk.....	7,183.30	.....
Requisitions and Accounts Division.....	171,318.67	.....
Total.....	169,853,512.82	473,073.29

In his official report the Secretary said:

"Attention is invited to the fact that large quantities of valuable property, such as ships, lighters, etc., horses and mules, wagons, harness, clothing, equipage and ordnance, medical, signal, and engineer supplies, the cost of which is included in the foregoing statement, still remains on hand in the Philippine Islands for use. Parts of these supplies are already being reshipped to this country. It should also be observed that a large part of the expense during the past year should not properly be treated as occasioned by military operations in the Philippine Islands, for the reason that it consists of pay and maintenance of troops whom we would have had to pay and maintain whether they were in the Philippines or not, in order to keep up the minimum number of regular troops required by law as a safeguard against future contingencies. The minimum at which the Regular Army is required to be maintained by the act of February 2, 1901, is 59,657 men, and the maximum is 100,000."

#### The Problem Which We Have on Our Hands in the Philippines.

Extract from address of Hon. Wm. H. Taft, Secretary of War, before the Chamber of Commerce of New York City, April 21, 1904:

The people of the United States have, under their guidance and control in the Philippines an archipelago of 3,000 islands, the population of which is about 7,600,000 souls. Of these, 7,000,000 are Christians and 600,000 are Moros or other pagan tribes. The problem of the government of the Moros is the same as that which England has had in the government of the Straits Settlements or India. The government of 7,000,000 Christian Filipinos is a very different problem, and one which it has fallen to the lot of the United States only to solve.



The attitude of the American people toward the Philippine islands may be described as follows: There are those who think that the Declaration of Independence forbids our accepting or maintaining sovereignty over them; there are those who, without respect to the Declaration of Independence, believe that colonial possessions are likely to lead to expense and corruption and demoralization, have little faith in the solution of the problem by teaching the Filipino the art of self-government, and are anxious to get rid of the islands before they have done any harm to the United States.

Then there are those who hold that fate brought these islands under our control, and that thus a duty was imposed upon us of seeing to it that they were not injured by the transfer. As a friend of the Filipinos it is my anxious desire to enlarge that class of Americans who have a real interest in the welfare of the islands, and who believe that the United States can have no higher duty or function than to assist the people of the islands to prosperity and a political development which shall enable them to secure to themselves the enjoyment of civil liberty. [Applause.]

\* \* \*

In the Philippine Islands 90 per cent. of the inhabitants are still in a hopeless condition of ignorance and utterly unable intelligently to wield political control. They are subject, like the waves of the sea, to the influence of the moment, and any educated Filipino can carry them in one direction or the other, as the opportunity and the occasion shall permit. The 10 per cent. of the Filipinos who are educated have shown by what they have done and what they have aspired to and what they are that they may be taught the lesson of self-government and that their fellows by further education may be brought up to a condition of discriminating intelligence which shall enable them to make a forceful and useful public opinion. But that it will take more than one generation to accomplish this everyone familiar with the facts must concede. \* \* \*

My own idea of the mission of the United States in the Philippine Islands is that it ought to be maintained and encouraged by the people of the United States without regard to the question of its cost or its profitable results from a commercial or financial point of view.

The islands themselves give every indication of furnishing revenue sufficient to carry out the plans which the United States may properly carry out in the material and intellectual development of the country and its people. The taxpaying capacity of the country is, of course, determined by that which it produces for domestic and foreign use. \* \* \*

The Philippine Archipelago is the only country in which can be produced what is known as "manila hemp," or what is called in the Spanish language "abaca." This is a fiber of enormous strength, of from 6 to 15 feet in length, which is stripped from the stalk of a banana plant—not the ordinary banana plant, but a plant of the same family which does not produce fruit.

Many parts of the islands are very rich in cocoanuts. The cocoanut grove is planted 200 to a hectare; that is, 200 to 2½ acres. It takes four or five years for cocoanut trees to bear. After that they will bear for 100 years, and a low price for annual rent is \$40 gold a year an acre.

The sugar and tobacco industries in the islands are capable of a considerable increase. The island of Negros contains sugar land as rich as any in the world, and the provinces of Cagayan, Isabela, and Union contain tobacco lands which, next to Cuba, produce the best tobacco in the world, but the trouble is that the markets for such sugar and tobacco have been, by tariffs imposed in various countries, very much reduced. Should the markets of the United States be opened to the Philippines it is certain that, both the sugar and the tobacco industry would become thriving, and although the total amount of the product in each would probably not affect the American market at all, so extensive is the demand here for both tobacco and sugar, it would mean the difference between poverty and prosperity in the islands.

I know that the reduction of the tariff for this purpose is much opposed by the interests which represent beet sugar and tobacco; but I believe that a great majority of the people of the United States are in favor of opening the markets to the Philippine Islands, conscious that it will not destroy either the beet-sugar or the tobacco industry of this country, and feeling that as long as we maintain the association which we now have with the Philippine Islands it is our duty to give them the benefit of the markets of the United States and bring them as close to our people and our trade as possible. \* \* \*

There are 7,600,000 Filipinos. Of these, the 7,000,000 Christian Filipinos are imitative, anxious for new ideas, willing to accept them, willing to follow American styles, American sports, American dress, and American customs. A large amount of cotton goods is imported into the islands each year, but this is nearly all from England and Germany. There is no reason why these cotton goods should not come from America. \* \* \*

The first requisite of prosperity in the Philippine Islands is tranquillity, and this should be evidenced by a well ordered government. The Filipinos must be taught the advantage of such a government, and they should learn from the government which is given them the disadvantages that arise to everybody in the country from political agitation for a change in the form of government in the immediate future. Hence it is that I have ventured to oppose with all the argument that I could bring to bear the petition to the two political conventions asking that independence be promised to the Filipinos.

It is not that I am opposed to independence in the islands, should the people of the Philippines desire independence when they are fitted for it, but it is that the great present need in the islands is tranquillity.

**The Prevailing Sentiment in the Philippines Regarding the United States and Its Treatment of the People of Those Islands.**

The following are extracts from remarks of Dr. N. Pardo de Tavera, the head of the delegation of Filipinos visiting the United States in 1904. The remarks were delivered in Washington, D. C., during the visit of the delegation to that city:

"In the Philippines we knew nothing of you. We lived under a government which ruled through fear and imposed upon us civil and religious tyranny. To the extent that we were accustomed to that kind of tyranny, we feared it would be continued under the American rule and be far worse. We did not know at the time of the beneficent purposes which animated you, and no man can condemn us for fighting when we were under that erroneous impression. But so soon as we learned what these purposes were we were glad to accept these conditions. None of you can appreciate the emotions which welled up within us when our eyes rested upon the White House, within whose walls your beloved President McKinley evolved the intention of stretching out his beneficent hand to us to raise us up to the plane upon which you now stand and place us within the same beliefs that you now have in this great country. You have done something unique in the history of the world. Some nations have colonized for the purpose of extending their religious beliefs; others with the intention of extending their commercial and industrial interests, but you have carried these principles of liberty and democracy to the peoples of the countries where you have placed your foot and your flag."

**THE HAWAIIAN ISLANDS.**

**Development Since Annexation.**

General conditions in the Hawaiian Islands show a marked improvement since annexation. Owing to wise administration there is a closer touch evident between the executive and the people, and political differences arising from local conditions have found a neutral ground in the common cause of Hawaii's welfare and future status. There is a growing sense of the responsibility on the part of the electors as they appreciate their accountability for the use of the ballot. In 1900 there was but little interest shown in the sending of delegates to the national conventions, while this year the keenest competition developed for places on the delegations. No single event since annexation is more expressive of the progress and the future possibilities of Hawaii than the completion of the cable connecting Hawaii with the mainland and the Orient. The Hawaiian silver has been practically retired from circulation and its place taken by currency of the United States.

The successful growing of coffee and tobacco, also the growing and canning of pineapples is no longer an experiment: four large pineapple plantations are well started and two of them are already sending their products to the mainland. The sisal industry has also been demonstrated. The traffic in bananas has increased materially, especially from the port of Hilo, where in six months' time it is expected that the monthly shipment will reach 20,000 bunches. The industry will grow with the increase in the number of steamers between Hawaii and the mainland.

The last seven years have seen a large development in sugar, the main industry. The increase from 251,126 tons in 1897 to 437,991 tons in 1903 does not tell the whole story. There is not a plantation on the islands that has not, during these years, modernized its equipment in the sugar factories. During this period it is calculated that over \$40,000,000 has been spent, mostly on the mainland, for machinery and other improvements, all of which are now installed.

Since annexation extensive improvements have been made in the capital city, especially in the business districts. The wharf system has been materially extended and modernized. A trolley system has been laid through the city and its suburbs. These improvements have been made with material purchased in various parts of the United States and have changed substantially the appearance of the water front and city.

Perhaps the most remarkable development in Honolulu since annexation has been the education of the lower classes in sani-



tation. Modern methods in the prevention of diseases and the precautionary measures to stamp out diseases as they appear are now understood by Honolulu's alien population. There has been established by the Federal Government on Quarantine Island, on the edge of Honolulu Harbor, one of the largest and most efficient quarantine stations of the United States.

Hawaii looks forward with extreme eagerness to the completion of the Panama Canal, for the following reasons: Ships coming through the canal from Europe to the Orient will touch Hawaii for orders, repairs, and for the necessary coal, fuel, oil, and provisions. It is reasonable to expect that the opening of the canal, together with the expected increase in trade caused thereby, will result in a large increase in the American marine and that most of the vessels engaged therein will make the Hawaiian Islands a port of call. The benefits to Hawaii of this trade, aside from the greater facility of shipping the Territory's produce, will undoubtedly be substantial.

Since 1897, the year before the annexation of Hawaii by the United States, the exports from that island have practically doubled, increasing from \$13,687,799, during the fiscal year ending June 30, 1897, up to \$26,242,869 during the year ending June 30, 1903. Within the same period the imports of merchandise from the United States have more than doubled, from \$4,690,075 in 1897 to \$10,840,472 in 1903. Last year the balance of trade in favor of this Territory was \$15,400,000.

A remarkable exhibit is made by comparing the trade growth per capita of population in Hawaii, which shows an increase from \$131 up to \$247 under annexation for every man, woman, and child in the Territory, a total per capita of trade that is more than eight times greater than that of the trade per capita for the entire United States. Thus:

*Hawaii's per capita of trade.*

Fiscal year—	Imports.	Exports.	Total.
1897.....	\$33.50	\$97.77	\$131.27
1898.....	42.20	125.76	164.96
1899.....	66.40	127.36	193.82
1900.....	90	131.05	228.05
1901.....	No data.	133.02	.....
1902.....	No data.	164.86	.....
1903.....	72.27	174.95	247.22
1903, per capita foreign trade of U. S.....			30.43

Last year's imports into Hawaii from foreign countries amounted to \$3,036,583, as compared with \$10,787,666 from the United States.

Hawaii's staple product for export is, of course, sugar, and its output has more than doubled in quantity and in value within the past eight years, though there has been but little variation in the average export price for each year. As this is the principal commodity that affects the prosperity of the Territory its importance will be realized from the following exhibit:

*Quantity and value of sugar exported.*

Year ending June 30—	Pounds.	Value.	Price. Cts. per pound.
1896.....	352,175,269	\$11,336,796	3.22
1897.....	431,196,980	13,164,379	3.05
1898.....	499,766,798	16,660,109	3.33
1899.....	462,299,880	17,287,683	3.72
1900.....	504,713,105	20,392,150	4.05
1901.....	690,877,934	27,093,862	3.92
1902.....	720,553,357	24,147,884	3.35
1903.....	774,825,420	25,665,731	3.31

All of this sugar is sold in New York or San Francisco and affords cargoes for American steamers and sailing vessels, amounting to nearly 400,000 short tons, besides the smaller shipments of coffee, sisal, fruits, hides, etc.

Last year there were 61 steamers and 211 sailing vessels that entered at Hawaiian ports from the mainland, and 27 cargoes of 399,584 tons left this Territory for ports of the mainland in



the same period, all of these cargoes being carried in American bottoms. Only five American vessels, of 4,288 tons register, left here in ballast, while twenty vessels of foreign nationality, of 25,397 tons register, had to go elsewhere in ballast seeking freights.

As a matter of fact, one American vessel leaves this American Territory for the mainland every one and one-half days with a cargo produced on American soil for the consumption of the American people.

While the current receipts of the Territory of Hawaii show an increase of only \$200,000 for the year 1903 as compared with 1897, the year before annexation, there have been considerable fluctuations in the interval, the receipts aggregating as high as \$3,345,231.50 for the year 1899, due mainly to a gain of nearly 50 per cent. in the receipts from customs in that year.

In the year 1900 the Federal Government assumed control of the revenues from customs, post-office and internal-revenue sources which aggregated \$1,600,000 in 1899. Deprived of this large proportion of income, it became necessary to increase our system of direct taxation, which shows a jump from \$763,984.84 in 1897 to \$1,300,347.92 in 1900, and up to \$1,678,362 in 1903—a gain of more than \$900,000 per annum (\$6 per capita increase) within the seven-year period.

Expenditures in Hawaii show an increase of nearly \$900,000 within the same seven years, from \$1,999,024.59 in 1897 up to \$2,884,563.12 in 1903. That this additional government outlay was judiciously expended is shown by the fact that there was a gain of \$440,000 in the outlay for public works and improvements and of \$180,000 in providing additional and improved education.

There has been a wonderful growth in the schools of Hawaii since annexation. In 1899, the year after annexation, there were in the islands 189 schools, containing 15,490 pupils taught by 544 teachers. On December 31, 1903, there were 19,022 pupils in 204 schools, taught by 647 teachers. No complete statistics have been collected since 1903, but there must be over 20,000 pupils in the various schools of the Territory at the present time. Thus, since annexation there has been an increase of 3,552 pupils, or about 1,000 per annum. To meet this, up to December 31st of last year, there was an increase of 15 schools and 103 teachers.

It has been frequently charged that Asiatics formed the bulk of the pupils. This is one of those careless statements bandied from mouth to mouth without thought, and frequently believed. Indeed there are those who will asseverate that this is a fact. A little consultation of statistics will show the utter fallacy of the statement. Of the 19,022 pupils in school on December 31, there were 8,199 Hawaiians and part Hawaiians, the whites numbering 5,882, making a total for Hawaiians and whites of 14,081. The Japanese children in school numbered 2,740 and the Chinese 1,585, while the Porto Ricans brought up the rear with 616. These latter, however, should be counted with the Hawaiians and whites, being American subjects.

Of the 647 teachers reported at the close of 1903, there were 163 Hawaiians and part Hawaiians, 303 Americans (or nearly half the total number), 55 British, 13 Germans, 55 Portuguese, 15 Scandinavians, 9 Japanese, 16 Chinese, and 17 of other nationalities. All the Japanese and 13 of the Chinese are employed by religious or philanthropical institutions sustained by private funds.

#### PORTO RICO.

Porto Rico was occupied by the United States July 25, 1898. On August 12, that same year, the protocol was signed and military operations ceased. On October 18 Spain withdrew from the island and a government by the United States military authorities followed, and this military government was maintained until May 1, 1900, when a civil government was instituted under an act of Congress devising a special form of government for the island. The organic act was presented by Senator Foraker, and after more than four years' operation has been proved by experience to be a wise and temperate measure. It embodies as much self-government as the most thoughtful and intelligent natives of the island would recommend. It provided for an

executive council, consisting of the six administrative heads of the departments, together with five native Porto Ricans, all of whom are appointed by the President of the United States; also made provision for a house of delegates, to consist of 35 members, to be chosen by the qualified voters of the island. These two bodies constitute the legislative assembly, with usual legislative powers. The law has worked admirably, the product of the legislation thus far being wise educational statutes under which a system of free public schools has been built up; sound revenue laws have been adopted; political, civil, and penal codes, together with codes of civil and penal procedure; laws establishing writs for the protection of life and property; creating modern judicial systems; establishing a bill of rights; providing for liberality in the right of appeal in judicial matters; establishing sound marriage laws, and otherwise providing for the implanting of American laws, customs, and institutions.

By reason of the ravages of war and the ruin brought by the cyclone of August, 1899, a modified tariff system was provided by Congress whereby all the duties, including those paid on merchandise going from the United States to Porto Rico and from Porto Rico to the United States, should be turned into the treasury of the island. Through this measure a large revenue was provided for the people, which gave immediate impetus to education and public works. This tariff measure was subject to abrogation, however, whenever the legislative assembly might provide a revenue system of its own and notify the President that the revenue system would produce sufficient income to maintain the government. By prudent laws and good sanitation, on July 4, 1901, the necessary statute was enacted, and by the wish of the people themselves, on July 25, the anniversary of the landing of the American troops in the island, President McKinley issued his proclamation declaring free trade between Porto Rico and the United States.

Congress provided that all the duties on imports from foreign countries collected at the ports of Porto Rico should be turned into the insular treasury for the support of the island. The internal-revenue system of the United States was excluded from the island, thus permitting the insular legislature to utilize its own resources of taxation to establish an excise system. This has been done, and now the income from customs collected upon goods imported to Porto Rico from foreign countries, the excise taxes collected under its own internal-revenue system, and its property tax, made up the principal sources of revenue. It costs approximately \$2,400,000 a year to maintain the government of the island. The property tax is one-half of one per cent. for insular purposes and one-half of one per cent. for municipal purposes.

The civil government instituted was conservative and generous. It made the people of Porto Rico *as free as any in the world*, and was a wonderful transition from the absolutism of Spain, whose guaranties were always in form but never in spirit, and whose promised autonomy always had nullifying reservations to it. The act of Congress put every man on an equality before the law, and gave to the representatives of the people of Porto Rico, through the house of delegates, a right to say what their laws should be. Indeed, it may be counted as a remarkable document, and coming as it did to the oppressed people of the island, was hailed as a proclamation of sacred rights, like unto a declaration of independence. Moreover, under its operation there have been put into actual and permanent execution, those methods of government which defend the rights and promote the duties of citizenship. Burdens of taxation are now borne in accordance with the ability of citizens to bear them. Education extends alike to the poor and to the rich. Public improvements are made for the general good and not for a special few.

Let it be noted, too, that under the old régime, Spaniards did all of the work of government and Porto Ricans were excluded while now natives are employed in every possible capacity, being judges, assistant chiefs of departments, school-teachers, engineers, telegraphers, clerks of courts, and filling other positions requiring skill and honesty.

No discussion of the present condition of the island of Por



Rico should be had without remembering that in August, 1899, the most devastating cyclone ever known in the neighborhood of Porto Rico swept over that island. Thousands of lives were lost, coffee plantations were utterly ruined, and incalculable destruction of property of all kinds followed its devastation. Coming just after the close of the Spanish-American war its effect was even more far-reaching, and the task of the American Government was made more difficult than it otherwise would have been. The coffee industry, which has been the greatest in the island and wherein the largest number of people were employed, was practically annihilated, and the means of living of half the people gone. Poverty, sickness, and almost despair followed. Had it not been for this natural calamity Porto Rico to-day doubtless would have equaled any country in the world in prosperity. Nature and nothing else could restore the coffee plantations. Gradually they have been growing to a normal state, and they will in a few years be more productive than ever. The coffee crop last year was about normal, and the financial condition of the planters is improved. The people are hopeful and helping themselves to a better condition.

The sugar crop for 1903 is conservatively estimated at 125,000 tons, the largest known in the history of the island. All this sugar is admitted to the United States free of duty, which gives to the sugar planter of Porto Rico an incalculable advantage over the planter in Cuba and the other West India islands. Tobacco fields are being generally planted now, the value of the crop in 1904 being estimated at about \$3,000,000. Since the Americans went to the island orange groves have been planted, and in a few years the crop will be very large, it being estimated that ten thousand acres are planted in this fruit. This agricultural development is only a good beginning, but it serves to prove that under American occupation the progress has been steady and will be fast in the future.

It may seem incredible, but it is a fact that at the expiration of four centuries of Spanish rule there were only 284 kilometers (a kilometer is about five-eighths of a mile) of roads under maintenance in Porto Rico. After the military occupation of the United States in 1898, road construction and repair were pushed, and the government of the island has vigorously carried on the work, with the result that there are now under maintenance 707 kilometers. Briefly, in five years American energy has provided 423 kilometers of good road, as against 284 kilometers built during the preceding four hundred years. This road extension means reduced cost of transportation and encouragement to agriculturists, as is clearly visible by the rapidly developing sections adjacent to the lines of the new roads. Again, the cost of road maintenance has been reduced from \$1,000 per kilometer to \$537.

Since the Americans occupied the island the government has been conducting the telegraph system. In February, 1901, there were but ten telegraph stations in operation. The lines have been considerably extended since then and new stations opened, there being on July 1 39 offices established. Native telegraphers are employed, who have learned their art in the telegraph school instituted in connection with the offices in San Jaun. The system is self-sustaining.

Wages are better now than they were during the times of the Spaniards. Then the laborers were paid in pesos, which were only worth 66 2-3 cents, while now all labor is paid in gold, so that the laborer obtains the difference. The wages of mechanics and other employees are higher. The purchasing power of the gold dollar for the *necessaries* of life is about the same as was that of the peso, although it is true that luxuries are somewhat higher than under the former dominion, and there has been a slight increase in the cost of living. But all employers of large numbers of men are practically unanimous in testifying that the laboring people of the island now buy more things and of a better quality than formerly. In addition to this, their work is more steady, and they are much more ambitious in bettering their homes than they used to be. They dress better and generally are living in a more advanced manner.

The health reports show a decrease in the death rate, and bear witness to the fact that under prevailing sanitary methods



the average death rate from January 1, 1903, to May 1, 1904, was 23.61 per 1,000. The hospital service has been very greatly improved, modern operating rooms and conveniences having succeeded the most primitive methods under the old sovereignty. There is now a careful inspection of food, and it is said that upon the question of pure food Porto Rico stands in a more advanced state than many States of the Union. Smallpox has been practically eradicated, there is no yellow fever, and, thanks to American government, there is a practical immunity from those diseases which usually afflict the Tropics. Successful effort is now being made to stamp out a form of parasitical anemia which has existed in Porto Rico for many years, and it is believed that ere long even further improvement will be had in the physical condition of the people.

In the times of the Spaniards no provision was made for indigent blind, and all charitable institutions were conducted upon standards abhorrent to the improved American ideas. A blind asylum has just been established and all charitable work has been systematized. A boys' charity school, with three hundred inmates, is now housed in a commodious building; these boys are taught to be self-supporting. In the girls' charity school 200 orphans are being educated, learning to be useful and good women. The insane are looked after as well as they are in any State, and the few lepers that there were in the island have been made comfortable on an island near San Juan. The management of this leper colony is said to be equal to that of the best in the civilized world.

Nothing is more important than education, before referred to in this article. Spain never built a schoolhouse during her occupation of Porto Rico, and the systems of education provided under her sovereignty were inadequate, lax, and bad. About 1897, she attained her maximum enrollment of children, which numbered 22,000. Under American occupation an excellent normal school has been established, more than 40 schoolhouses have been erected, and this year the enrollment of children will reach 75,000. Nearly fourteen hundred school-teachers were employed during the school year, and during the fiscal year ending July 1, 1903, there was actually spent in the island \$817,814.64 for education. Industrial classes are being established with a view to teaching the boys useful trades and at the same time developing their minds. The government of the island is also educating 45 Porto Rican youths in the United States. These boys are scattered in the various States in the Union. They are doing well and when their studies are completed it is expected that they will return to the island to exert a strong influence among the people.

The War Department at Washington has withdrawn nearly all of the regular troops from the island, their presence not being necessary for the maintenance of order. But there is left the Porto Rico provisional regiment, a body of enlisted native Porto Ricans who are organized under a special act of Congress and under command of field officers from the line of the Regular Army. The Porto Ricans make excellent soldiers, are very proud of their uniform, and are looked upon by their officers as brave and loyal men.

Porto Ricans are also admitted to the Military Academy at West Point and to the Naval Academy at Annapolis. A number of young men are striving to earn admission, realizing the honor the opportunity affords.

One of the defects of the old civilization was the vast extent to which concubinage existed among the illiterate country people. This has improved since the American occupation, and recently legislation has been enacted by which it is unnecessary to procure a marriage license prior to marriage, provided the priest or clergyman or official who performs the marriage service keeps the necessary statistical record and files the same with certain designated official records. The result of this legislation will be a very large number of marriages.

The appended tables show the commerce of Porto Rico for the years 1893 to 1903, with the exception of 1898—the year of the war—for which no accurate data are obtainable, and with the United States for a like period. From them it will be observed

that in 1893 the total commerce of the island amounted to \$32,-873,542, the imports exceeding the exports by \$554,934, and that the largest trade the island ever enjoyed was in 1897, when it reached a total of \$34,943,232, and with a balance in its favor. Owing to the war the year ending June 30, 1899, showed a decline to \$19,962,460, and the disastrous hurricane of August of that year, with which the world is familiar, still further reduced the surplus products, 1900 showing a total trade of but \$16,602,-004, of which but \$6,612,499 was exports. In spite of the fact that the hurricane practically destroyed the coffee plantations and did untold damage to sugar, the two principal products of the island, and financially wrecked most of the planters, under American rule the output has steadily and rapidly increased until in 1903, after four years, it has reached \$29,395,497, with a balance of trade in favor of the island of \$496,165, the greatest in its history.

While fostering the industries of the island and directing her prosperity the United States has made for herself a market for agricultural products and manufactured articles, supplying in 1903 80 per cent of all such goods purchased by Porto Rico, against 20 per cent. in 1897. In five years the consumption of American breadstuffs has increased 50 per cent., provisions and agricultural products 60 per cent., cotton manufactures from \$3,-723 to \$2,044,470, leather manufactures from \$6,112 to \$309,836, coal, fish, oils, paper, wines and liquors, chemicals and drugs, and wood manufactures from practically nothing to a total of a million and a half per annum.

Naturally most of this trade was taken from Spain, her exports to the island of cotton manufactures dropping from \$9,772,-699 in 1897, the year before American occupation, to \$53,657 in 1903; wood manufactures from \$529,554 to \$1,801, shoes from \$5,255,620 to practically nothing, oils from \$751,681 to \$51,210, wines from \$845,462 to \$29,070, preserved meats from \$791,745 to \$12,056. The United States is also supplying most of the articles formerly imported from the United Kingdom, Germany, Cuba, and the Netherlands. The island's imports from the principal countries for 1897 and 1903 were as follows:

Country.	1897.	1903.
Spain.....	\$6,901,695	\$793,061
United Kingdom.....	1,694,303	318,839
Germany.....	1,268,592	155,917
Cuba.....	668,533	5,482
Netherlands.....	149,925	7,120
France.....	207,932	259,992
United States.....	2,181,024	12,246,226

France is the only country that has retained her trade, due largely to the French Railroad Company, the only public line in operation on the island.

Naturally the United States has opened her markets to the surplus products of the island. In 1897, the United States took but \$22,489 worth of coffee; in 1903, \$718,531; fruits and nuts, \$61 against \$287,583; sugar, \$1,577,911 against \$7,466,579, and cigars none in 1897 against \$1,746,483 in 1903. As the United States produces no coffee nor tropical fruit the Porto Ricans do not come into competition with her agriculturists in the admission of these articles. To supply home consumption the United States must import \$75,000,000 worth of sugar annually, so that the supplying of 10 per cent. of this article in a crude state for refining in the United States, and an invasion by Porto Rico of the United States' markets for Cuban cigars, is a very small concession for the markets opened to America for \$12,000,-000 annually of agricultural products and manufactured articles. This trade with the United States is carried on solely in American vessels, and has developed steamship lines from New York and New Orleans. In 1897 less than 10 per cent. of the commerce with the island was carried in American bottoms; in 1903 it was 80 per cent.

It must be borne in mind that the island is self-supporting and that Congress appropriates only for the maintenance of one regiment of soldiers, so this already large and steadily increasing

commerce is practically a net gain to the farmers and manufacturers of the United States.

In addition to these advantages the United States has secured a valuable naval base, and, from a humanitarian standpoint, the satisfaction of uplifting a million people who under Spanish rule were but little better than serfs.

The island does not owe a dollar and has never cost Uncle Sam a cent. When the Americans came they found \$3.80 in gold in the treasury. On May 1, 1904, there was a balance of \$379,883 in the treasury of current revenues and \$605,070 of trust funds, or a total of \$984,953 cash on hand.

These constitute some of the signs of progress in the few years of American sovereignty. The large majority of the people are grateful for the blessings of good government, where free speech, a free press, an independent judiciary, a just tax system, an honest public service, a jury system, the writ of habeas corpus, free schools, and just laws have superseded the scourges of four centuries of oppression.

Under such conditions it is not to be wondered at that the names of McKinley and Roosevelt mean to the people confidence and hope.

*Total commerce of the island of Porto Rico, 1893 to 1903, inclusive.*

Year.	Imports.	Exports.
1893 .....	\$16,714,238	\$16,159,304
1894 .....	19,086,336	16,690,191
1895 .....	16,835,453	15,245,639
1896 .....	18,282,690	19,341,430
1897 .....	17,233,030	16,710,202
1898 .....	.....	.....
1899 .....	9,805,919	10,156,541
1900 .....	9,989,505	6,612,499
1901 .....	8,366,230	8,583,967
1902 .....	13,209,610	12,352,612
1903 .....	14,449,696	14,945,831

\* The year of the great hurricane.

*Total commerce of the island of Porto Rico, 1893 to 1903, inclusive.*

Year.	Imports from United States.	Exports to United States.
1893 .....	\$4,008,623	\$2,510,607
1894 .....	3,135,634	2,720,508
1895 .....	1,506,512	1,833,544
1896 .....	2,296,653	2,102,094
1897 .....	2,181,024	1,988,888
1898 .....	2,414,356	1,505,946
1899 .....	3,179,827	2,685,848
1900 .....	3,078,648	4,640,449
1901 .....	7,413,502	5,581,288
1902 .....	10,882,653	8,297,422
1903 .....	12,246,225	10,919,147

## TRADE RELATIONS OF THE UNITED STATES WITH ITS NONCONTIGUOUS TERRITORY.

[From Annual Review of Foreign Commerce of United States, 1903.]

The trade relations with the noncontiguous territories of the United States have been, during the past year, for the first time fully and definitely recorded. The enactment by Congress in 1902, upon the recommendation of the Bureau of Statistics, of a law requiring persons engaged in commerce with the noncontiguous territories of the United States to present reports similar to those required in commerce with foreign countries, has enabled an ac-



curate measurement to be made of the quantity and value of merchandise being forwarded to and received from each of the territories in question. These reports show that the commerce with the noncontiguous territories, including in that term Alaska, Porto Rico, the Hawaiian and Philippine islands, Guam, and Tutuila of the Samoan group, aggregated \$100,000,000 in the fiscal year 1903, including about \$5,000,000 of gold produced from the mines of Alaska and received in the United States from that territory. To Alaska the total shipments of the year were \$9,497,721, and from Alaska the receipts of merchandise were \$10,228,069, and of domestic gold \$4,719,579. This being the first year in which an official record of the shipments to and receipts from Alaska was made, no comparison can be had with official statistics of earlier years. From Alaska the principal articles of merchandise received were canned salmon, \$8,410,931; other fish, \$674,658, and furs and fur skins, \$423,606; of the shipments to Alaska the principal items were iron and steel manufactures, \$2,311,678; provisions, \$969,773; wood and manufactures thereof, \$692,814, and tin and manufactures thereof, \$420,316.

To the Hawaiian Islands the shipments of merchandise aggregated \$10,840,472, against \$13,509,148 in 1900, the latest year in which an official record is available. From the Hawaiian Islands the receipts of merchandise were \$26,242,868 in value, against \$24,730,060 in the preceding year. Sugar formed the principal item in the merchandise received from the Hawaiian Islands, being \$25,310,684, out of a total of \$26,242,868. The shipments to the Hawaiian Islands included merchandise of all classes, the largest items being breadstuffs, \$1,456,571; iron and steel manufactures, \$1,149,505; cotton manufactures, \$1,022,116, and manufactures of wood, \$815,290.

To Porto Rico the shipments were larger than in any preceding year, being \$12,246,225 against \$10,882,653 in the preceding year, while the receipts of merchandise from Porto Rico were \$11,057,195 against \$8,378,766 in the preceding year. Of the merchandise received from Porto Rico the largest item was sugar and molasses, \$7,847,558, and tobacco, \$1,890,391. Of the shipments to Porto Rico the principal items were cotton manufactures, \$2,044,170; provisions, \$1,463,121; breadstuffs, \$1,185,313, and iron and steel manufactures, \$1,434,350.

To the Philippine Islands the exports of the year amounted to 4,039,909, of which the largest items were iron and steel manufactures, \$657,354; provisions, \$127,936; mineral oils, \$265,624; cotton manufactures, \$316,570, and breadstuffs, \$278,891. From the Philippine Islands the value of the merchandise received was \$11,372,584, against \$6,612,700 in 1902 (of which \$10,931,186 was Manila hemp, against \$6,318,470 in 1902).

The tables which follow show the commerce of the United States with Porto Rico and the Hawaiian and Philippine islands for a term of years:

*Commerce of the United States with Porto Rico and the Hawaiian and Philippine Islands from 1897 to 1903.*

Year ending June 30—	Commerce with Porto Rico.		Commerce with the Hawaiian Islands.		Commerce with the Philippine Islands.	
	Imports into U. S. from Porto Rico.	Exports from U. S. to Porto Rico.	Imports into U. S. from Hawaii.	Exports from U. S. to Hawaii.	Imports into U. S. from Phillip- pines.	<sup>a</sup> Exports from U. S. to Phillip- pines.
97.....	\$2,181,024	\$1,988,888	\$13,687,799	\$4,690,075	\$4,383,740	\$94,597
98.....	2,414,356	1,505,946	17,187,380	5,907,155	3,830,415	127,804
99.....	3,179,827	2,685,848	17,831,463	9,305,470	4,409,774	404,193
00.....	3,078,648	4,640,449	20,707,903	13,509,148	5,971,208	2,640,449
01.....	5,883,892	6,861,917	27,903,058	(b)	4,420,912	4,027,064
02.....	8,378,766	10,882,653	24,730,060	(b)	6,612,700	5,251,867
03.....	11,057,195	12,246,225	26,242,869	10,840,472	11,372,584	4,039,909

a Does not include supplies sent by the Government.

b No data.

#### Importation of Tropical Products.

The growing dependence of the United States upon the Tropics for articles for food and for use in manufacturing is again illus-

trated by the fiscal year 1903. A larger quantity of sugar was brought into the United States in 1903 than in any year of our history, and an unusually large proportion was cane sugar of tropical production. The total amount of cane sugar brought into the United States during the year, including that from the Hawaiian and Philippine islands, was 5,076,64,049 pounds, of which the Hawaiian Islands contributed 774,825,420 pounds, the Philippine Islands 18,773,333 pounds, and Porto Rico 226,143,508 pounds. In many articles of tropical production the imports of 1903 exceeded those of earlier years.

The table which follows shows the value of articles of the imports of tropical and subtropical production in order of magnitude in 1903, compared with earlier years:

*Value of principal imports of tropical and subtropical articles at quinquennial periods from 1870 to 1900, and in 1903.*

Articles.	Year ending June 30—			
	1870.	1890.	1900.	1903.b
Sugar and molasses a.....	\$69,802,601	\$82,915,044	\$85,949,891	\$107,282,112
Coffee.....	24,234,879	78,267,432	52,467,943	63,408,238
Silk.....	3,017,958	24,331,867	45,329,760	50,011,050
Fibers.....	1,376,762	11,011,790	24,277,262	31,613,240
India rubber mfrs of.....	3,459,665	14,854,512	31,792,697	30,659,110
Fruits and nuts.....	7,416,592	20,746,471	19,263,592	23,726,636
Tobacco, and mfrs of.....	4,181,736	21,710,454	15,661,360	22,547,104
Tea.....	13,863,273	12,317,493	10,558,110	15,659,229
Cotton.....	331,573	1,392,728	7,960,945	11,998,653
Vegetable oils.....	2,511,334	3,221,292	6,320,711	11,643,691
Gums.....	1,288,494	5,697,280	6,884,704	10,594,647
Cocoa, and mfrs of.....	418,064	2,859,642	6,210,985	8,257,441
Spices.....	1,513,126	3,223,071	3,401,265	4,815,125
Cabinet woods.....	670,131	.....	2,430,702	4,035,300
Rice.....	1,007,612	2,540,674	2,279,036	3,061,473
Cork, and mfrs of.....	.....	1,588,767	1,909,483	2,567,580
Feathers.....	.....	1,741,383	1,736,458	2,476,659
Opium.....	1,776,908	1,453,298	2,189,721	2,340,436
Licorice.....	.....	794,503	1,667,256	1,545,167
Ivory.....	.....	909,582	1,049,034	1,396,721
Dyewoods and extracts.....	1,337,093	1,943,272	1,083,644	1,417,777
Indigo.....	1,203,664	1,827,937	1,446,490	1,202,451
Vanilla beans.....	.....	559,867	1,209,334	1,032,651
Sago, tapioca, etc.....	388,621	1,108,726	411,029	618,222
Barks for quinine.....	.....	282,775	563,065	549,775
Sponges.....	.....	416,718	536,303	540,711
Total.....	\$139,800,086	\$297,716,578	\$334,590,780	\$414,696,288

a Only cane sugar not above No. 16 Dutch standard in color, and molasses.

b Includes articles from Hawaii and Porto Rico.

The figures in the table do not include articles received from Hawaii and Porto Rico during the years 1902 and 1903, those islands being now customs districts of the United States, and therefore merchandise from them is not considered as imports into the United States. The principal article of tropical production received from Porto Rico and the Hawaiian Islands is sugar, of which the quantity received from Porto Rico in 1902 was 183,817,049 pounds, valued at \$7,999,853; from Hawaii, 720,553,333 pounds, valued at \$24,147,884; in 1903, from Porto Rico, 226,143,508 pounds, valued at \$10,741,533; from Hawaii, 774,825,420 pounds, valued at \$25,665,738.

While the table shows a large increase in the value of tropical and subtropical products imported, the actual growth can be better determined by an examination of the quantities of the various articles imported. In a large proportion of the cases prices have greatly decreased, and consequently the figures of values do not show the real growth. Sugar, for example, shows a comparatively small increase in value during the period from 1870 to 1903, while the quantity shows a very large increase, and this is true in less degree of other articles.

The table which follows shows the quantities of principal articles of tropical and subtropical growth imported at quinquennial periods from 1870 to 1900, and in 1902 and 1903:



*Quantities of principal articles of tropical and subtropical growth imported from 1870 to 1903.*

Articles.	Year ending June 30—				
	1870.	1880.	1890.	1900.	1903.
Sugar a...lbs.	1,196,622,049	1,829,286,030	2,332,820,896	3,305,087,796	5,076,603,529
Coffee.....do.	235,256,574	446,850,727	499,159,120	787,991,911	915,086,380
Silk.....do.	583,589	2,562,236	5,943,360	11,259,310	15,270,859
India rubber and gutta percha...lbs.	9,624,098	16,828,099	33,842,374	58,506,569	55,326,861
Tobacco, leaf.....lbs.	6,256,540	9,759,355	28,720,674	19,619,627	34,016,956
Cotton.....do.	1,698,133	3,547,792	8,606,049	67,398,521	98,081,946
Fibers... tons.	43,533	111,751	195,332	249,306	259,121
Cocoa.....lbs.	3,640,845	7,403,643	18,266,177	41,746,872	63,351,294
Olive oil...gal.	251,727	383,131	893,984	967,702	1,494,132
Tea.....lbs.	47,408,481	72,162,936	83,886,829	84,845,107	108,574,905
Rice.....do.	43,123,939	57,006,255	124,029,171	116,679,891	169,659,284

a Cane sugar under No. 16 Dutch standard in color only; figures of 1903 include sugar from Hawaii and Porto Rico.

**Commerce of the United Kingdom with Its Colonies, 1869 to 1902.**

This table shows the commerce of the United Kingdom with its colonies from 1869 to 1902, and is interesting by way of its exhibit of the value which the British colonies have proved as a market for the products of the United Kingdom. It will be noted that the exports to the colonies have increased from 252 million dollars in 1869 to 571 millions in 1902, or considerably more than doubled; while the total exports have increased from 1,153 million dollars in 1869 to 1,699 millions in 1902, an increase of less than 50 per cent.; also, that the sales of the United Kingdom to her colonies during the period in question have amounted to more than 13 billions of dollars.

*Statement showing the total imports and exports of the United Kingdom, and the amount imported from and exports to her Colonies during the past thirty years, 1869 to 1902.*

Year.	Imports.		Exports.	
	Total imports.	Imports from colonies.	Total exports.	Exports to colonies.
1869.....	\$1,437,857,131	\$342,681,854	\$1,153,433,750	\$252,531,187
1870.....	1,475,802,590	315,506,938	1,187,819,128	269,561,917
1871.....	1,610,886,833	354,984,010	1,380,016,278	270,389,037
1872.....	1,726,116,521	386,267,989	1,530,946,561	319,287,259
1873.....	1,806,869,996	394,235,759	1,513,504,689	346,240,316
1874.....	1,801,007,465	399,845,456	1,448,515,983	379,149,151
1875.....	1,819,776,951	410,849,255	1,370,466,370	373,041,611
1876.....	1,825,690,362	410,404,481	1,249,603,334	341,384,435
1877.....	1,919,443,383	435,814,531	1,228,041,906	368,647,838
1878.....	1,794,622,816	379,810,859	1,194,647,195	350,352,514
1879.....	1,766,499,960	384,174,348	1,210,704,241	323,665,917
1880.....	2,001,248,678	450,242,765	1,393,835,999	396,753,915
1881.....	1,932,109,943	445,477,755	1,445,753,324	421,834,021
1882.....	2,009,959,922	483,880,460	1,492,364,365	449,361,013
1883.....	2,077,467,869	480,233,544	1,486,409,501	439,933,016
1884.....	1,898,025,366	466,273,531	1,440,326,242	429,729,930
1885.....	1,805,315,553	410,741,034	1,321,129,720	416,034,710
1886.....	1,702,610,586	398,488,695	1,308,891,227	400,184,346
1887.....	1,762,780,440	407,806,203	1,368,765,830	400,367,265
1888.....	1,886,429,343	422,975,439	1,453,027,603	446,393,791
1889.....	2,081,098,356	473,345,335	1,535,831,773	442,053,886
1890.....	2,047,297,603	467,968,548	1,597,438,932	459,993,595
1891.....	2,119,074,911	484,045,050	1,504,301,909	454,229,956
1892.....	2,062,392,927	475,779,718	1,419,266,868	395,215,964
1893.....	1,969,415,018	446,596,048	1,348,693,391	382,425,688
1894.....	1,987,210,018	457,023,556	1,332,378,922	382,438,613
1895.....	2,027,820,221	464,897,767	1,391,003,409	370,205,123
1896.....	2,150,063,031	453,596,873	1,422,329,445	441,148,230
1897.....	2,194,932,434	457,586,162	1,431,598,345	423,212,102
1898.....	2,289,905,792	484,815,412	1,430,819,072	438,523,897
1899.....	2,360,425,665	519,884,764	1,603,680,413	458,665,878
1900.....	2,545,545,281	533,030,835	1,724,559,874	496,500,059
1901.....	2,540,265,299	513,774,440	1,692,881,460	550,490,518
1902.....	2,571,416,135	519,708,295	1,699,570,518	571,869,627

Total exports of United Kingdom to colonies from 1869 to 1902, \$13,661,815,825.



*Commerce of countries commercially adjacent to the Philippine Islands in latest available year.*

Countries.	Imports.	Per cent from United States.	Exports.	Per cent to United States.
British East Indies.....	\$278,054,000	1.45	\$409,535,000	6.73
British Australasia.....	258,765,000	11.86	280,116,000	5.57
China.....	204,768,000	9.26	134,720,000	11.64
Japan.....	135,322,000	17.90	127,326,000	31.37
Straits Settlements.....	146,107,000	.57	125,316,000	12.78
Dutch East Indies.....	72,561,000	1.33	95,102,000	11.28
Siam.....	15,782,000	.67	21,103,000	.04
Philippine Islands.....	33,342,000	12.46	28,672,000	40.03
Hawaiian Islands.....	13,982,000	77.53	26,275,000	99.88
Mauritius.....	9,647,000	3.29	10,430,000	.....
Persia.....	23,703,000	.....	13,243,000	.....
Ceylon.....	35,515,000	1.45	32,250,000	10.05
Hong-Kong.....	No Data	.....	No Data	.....
French East Indies.....	41,964,000	.15	40,677,000	.01
Korea.....	6,744,000	3.81	4,142,000	.....
Total.....	\$1,276,256,000	7.49	\$1,348,907,000	12.34

**Rapid Growth of Our Commerce with Asia Under the Republican Policy of Expansion—Growth in Exports More Rapid Than the Growth of Imports.**

This table shows the growth in commerce of the United States with Asia since 1889. That under the expansion policy of the Government since 1897 our prestige in the Orient and our trade with Asia has grown very rapidly and the percentage of growth in exports has been greater than in imports. The total gain in our exports to Asia since 1889 has been 157 per cent, while the growth in our total exports to all parts of the world since 1889 has been but 91 per cent. The relative growth of trade with each grand division is shown in the tables on pages ... and ....

*Our commerce with Asia—Increase in exports more rapid than the increase in imports.*

[Prepared by Bureau of Statistics.]

Calendar Year.	Japan.		Hongkong.	
	Imports into United States from.	Exports from United States to.	Imports into United States from.	Exports from United States to.
1899.....	\$20,219,385	\$5,275,501	\$1,498,653	\$3,864,224
1890.....	17,179,524	5,072,038	851,084	4,898,642
1891.....	23,014,123	3,839,384	617,519	4,812,694
1892.....	27,196,026	3,300,745	855,612	4,682,121
1893.....	19,486,273	3,344,589	882,504	4,239,687
1894.....	23,100,725	4,901,962	883,885	3,853,618
1895.....	27,430,678	5,356,454	1,393,920	4,462,856
1896.....	18,214,322	10,145,909	794,136	5,789,730
1897.....	28,085,123	16,009,471	929,054	5,787,763
1898.....	23,259,486	10,710,165	992,714	6,699,514
1899.....	34,203,587	20,604,774	2,399,943	7,787,719
1900.....	26,315,235	26,492,111	1,296,771	9,378,239
1901.....	36,854,692	21,162,477	1,299,722	8,058,873
1902.....	40,597,582	21,622,603	2,063,196	8,751,779
1903.....	45,510,768	20,874,887	1,587,641	9,792,193
Per cent of increase.....	125.07	295.31	5.94	153.41

Calendar year.	China.		All Asia.	
	Imports into United States from.	Exports from United States to.	Imports into United States from.	Exports from United States to.
1899.....	\$15,764,717	\$3,254,084	\$67,646,679	\$21,534,847
1890.....	17,750,174	4,787,606	63,340,309	22,554,028
1891.....	21,229,212	8,031,606	80,451,865	22,075,267
1892.....	19,886,164	5,268,479	83,574,886	17,772,883
1893.....	18,364,089	4,875,301	74,845,881	19,644,782
1894.....	19,837,375	5,168,215	72,530,886	18,614,800
1895.....	21,842,860	3,702,922	87,098,909	18,746,672
1896.....	17,707,317	9,839,316	78,177,767	33,964,495
1897.....	23,087,740	11,276,289	93,896,750	40,663,169
1898.....	17,388,462	12,258,620	94,310,501	46,955,598
1899.....	24,196,476	15,225,294	136,863,919	53,843,554
1900.....	22,940,397	11,081,146	120,378,219	58,726,173
1901.....	18,125,836	18,175,484	125,093,643	59,068,723
1902.....	26,182,113	22,698,282	142,223,175	62,585,097
1903.....	24,985,510	14,970,138	139,651,662	55,455,113
Per cent of increase.....	58.49	360.05	106.44	157.51

## NEW HONORS FOR THE UNITED STATES AND ITS FLAG AND REPRESENTATIVES.

[By Hon. John Barrett, United States Minister to Panama, formerly Minister to Argentina and Siam and Commissioner-General of St. Louis Exposition.]

The Republican party is certainly entitled to great credit in the matter of raising the prestige and influence of the United States abroad to a position in harmony with its greatness and strength at home. Eight years ago American ministers and consuls, American merchants, missionaries, and travelers in all parts of the earth, particularly in the great continent and along the extensive coast line of Asia, did not receive the recognition accorded to those of other great nations. There was no appreciation of the real standing of the United States. Our flag was little known and did not stand as a symbol of power. Our diplomatic officers failed to receive the recognition in foreign countries which was given to those of England, Germany, and France, or even of Holland and Belgium. Our merchants who encountered difficulties for which they were not responsible received scant satisfaction from foreign officials before whom they protested, although they saw the merchants of European countries everywhere having their rights protected. Our missionaries, although supported by the united church at home, were suffering unwarranted indignities, while the missionaries of European churches had their lives and property safeguarded on every hand. Our travelers, wishing to study foreign parts, never gained any facilities from saying that they were citizens of the United States, while the travelers of European nations were treated as if they were the special agents of their respective governments.

Now, as a result of the policies followed abroad by President McKinley and continued by President Roosevelt, together with the prestige gained from the Spanish-American war and the later attitude of our Government in the Philippines, the United States is regarded in the remotest portions of the world as among the great nations of the earth. Our ministers and consuls stand in the front rank of foreign representatives, and our merchants, missionaries, and travelers find themselves, whether in the heart of Asia, Africa, or South America, accorded every protection, interest, and facility that is given to the most favored nation. A tidal wave of American prestige has swept over the seas, and even back into the interior of strange lands everywhere our flag stands for that which is best among all peoples.

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We who have been entrusted with power as public servants during the past seven years of administration and legislation now come before the people content to be judged by our record of achievement.—President Roosevelt's speech accepting 1904 nomination.

The obstructionists are here, not elsewhere. They may postpone but they can not defeat the realization of the high purpose of this nation to restore order to the islands and establish a just and generous government in which the inhabitants shall have the largest participation of which they are capable.—President McKinley to Notification Committee, July 12, 1900.

Under present-day conditions it is as necessary to have corporations in the business world as it is to have organizations—unions—among wage-workers. We have a right to ask in each case only this: that good, and not harm, shall follow.—President Roosevelt at Providence, R. I., August 23, 1902.

Protection saves to the world the useless expense and labor of shipping products from one country to another and turns these into productive sources of wealth.—Judge William Lawrence, of Ohio, in the American Economist.

The man or party that would seek to array labor against capital and capital against labor is the enemy of both.—Maj. McKinley at Canton, September 18, 1896.

## THE VICTORIES OF OUR EASTERN DIPLOMACY.

**The Frank and Effective Policy of the United States in Preserving China from Dismemberment Four Years Ago—The Restriction of the Areas of War Now—The Open Door and a Fair Chance for Trade—Secretary Hay's Brilliant, Peaceful Achievements.**

The most recent stroke of our diplomacy in the Far East, whereby assurances have been secured that the neutrality of China and her administrative entity in all practicable ways will be respected by Japan and Russia, and that the area of hostilities will be limited as much as possible, recalls the preceding forceful, far-seeing, and thoroughly American diplomatic achievements of Mr. Hay. Washington, in his memorable farewell address, formulated the basic principle of our diplomacy as follows:

The great rule of conduct for us in regard to foreign nations is, in extending our commercial relations, to have with them as little political connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith. Here let us stop.

That rule has been closely followed in all our diplomatic history, and at no time more implicitly than in handling our interests in the Far East in recent years.

Our war with Spain brought the nation to self-consciousness as no other event in our history had done. That short but momentous conflict aroused us to a realization of the fact that more than a century of remarkable internal industrial development had rendered us an important factor in the world system.

While engaged in this course of self-development we had been but half conscious that a gradual but steady absorption of many of the best markets of trade and commerce by the aggressive maritime powers of Europe had been going on, and that there was great danger that our nation might find itself confined practically to the home market for its products. What was to become of the largely increasing productions of factory, loom, and farm, with most of Africa, large portions of South America and Asia practically preempted by colonization, "spheres of influence," and the like, by the aggressive powers of Europe? Where could the United States look for a legitimate, open field for the exercise of her now fully matured commercial powers?

These problems had received the careful consideration of statesmen and students of the course of events long before the guns of Dewey awakened us to self-consciousness. Their successful solution was of vital importance to the commercial prosperity of our country.

In 1899 a fair solution was advanced by Mr. Hay by the initiation of the "open-door" policy, the success of which has won him a well-merited renown.

China, recently become a near neighbor, was a natural field for the extension of our trade relations and the development of our industrial activities. For centuries it had been almost a hermit nation hedged about by walls of conservatism stronger than its wall of stone. Gradually, however, she had been opening her ports and engaging in international trade on an increasing scale. But already Great Britain, Russia, and Germany had gained special advantages and exclusive privileges in portions of China, and the danger was imminent that the Empire might be totally dismembered or divided among those and other powers under the guise of "spheres of influence."

### TRIUMPH OF THE OPEN-DOOR POLICY.

To meet and prevent if possible such a contingency Mr. Hay addressed the governments of Great Britain, Russia, Germany, Italy, and Japan through the medium of our diplomatic representatives in those countries, in September, 1899, suggesting that as he understood it to be the settled policy and purpose of those



countries not to use any privileges which may be granted to them in China as a means of excluding any commercial rivals, and that freedom of trade for them in that Empire means freedom of trade for all the world alike, he considered that the maintenance of this policy is alike urgently demanded by the commercial communities of the several nations and that it is the only one which will improve existing conditions and extend their future operations. He further suggested that it was the desire of this Government that the interests of its citizens may not be prejudiced through exclusive treatment by any of the controlling powers within their respective "spheres of interest" in China, and that it hopes to retain there an open market for all the world's commerce, remove dangerous sources of international irritation, promote administrative reforms which were so greatly needed for strengthening the Imperial Government and maintaining the integrity of China. He accordingly proposed to these various powers that a declaration by each of them of their intentions in regard to the treatment of foreign trade and commerce in their "spheres of interest" be made substantially to the following effect:

"1. That it will in no wise interfere with any treaty port or any vested interests within any so-called 'sphere of interest' or leased territory it may have in China.

"2. That the Chinese treaty tariff of the time being shall apply to all merchandise landed or shipped to all such ports as are within such 'sphere of interest' (unless they be 'free ports'), no matter to what nationality it may belong, and that duties so leviable shall be collected by the Chinese Government.

"3. That it will levy no higher harbor dues on vessels of another nationality frequenting any port in such 'sphere' than shall be levied on vessels of its own nationality, and no higher railroad charges over lines built, controlled or operated within its 'sphere' on merchandise belonging to citizens or subjects of other nationalities transported through such 'spheres' than shall be levied on similar merchandise belonging to its own nationals, transported over equal distances."

By December of that year replies had been received from all those governments giving cordial and full assurance of the principles suggested by our Government. The expressions of the Government of Germany were especially cordial, and in his note of February 19, 1900, Count von Bulow, the German minister for foreign affairs, said: "Gladly complying with your wish, I have the honor to inform your excellency \* \* \* that the Imperial Government has, from the beginning, not only asserted but also practically carried out to the fullest extent in its Chinese possessions absolute equality of treatment of all nations with regard to trade, navigation, and commerce. The Imperial Government entertains no thought of departure in the future from this principle \* \* \* and, upon being requested, will gladly \* \* \* participate with \* \* \* the other powers in an agreement made upon these lines by which the same rights are reciprocally secured."

This great triumph in favor of equality of treatment for the commerce of the nations was scarcely won when the world was startled by reports of frightful massacres and atrocities being perpetrated by the "Boxers" upon all foreigners in China in the early part of 1900. The Central Government of that country, too weak or indifferent to restrain its subjects or to afford protection to foreign residents, abandoned the administration of the Government and fled for personal safety to an inaccessible refuge, leaving to the provincial governors or viceroys the difficult duty of handling locally the affairs of the country. Practical anarchy prevailed, and a feeling was rapidly developing among some of the powers that the situation justified a movement on the part of the powers to take possession of the country for the purpose of restoring order and enforcing due reparation for the wanton destruction of lives and property of their nationals, and, once in possession, it was thought and hoped that an indefinite period would be necessary to restore an improved order of things.

#### THE BOXER NEGOTIATIONS.

While great anxiety and uncertainty prevailed and the nations stood aghast at the frightful fate which seemed almost inevitably to await the entire diplomatic corps and all the other foreigners in Peking, and the ancient Empire seemed tottering to its fall,

there appeared a clear, calm note addressed by our Secretary of State on July 3, 1900, to all powers having interests in China, containing a statement of the position of our Government with respect to affairs there. It declared the intention of the government to be to adhere to its well-known policy of peace with China, the furtherance of commerce, the protection of American citizens, and the demand of full reparation for wrongs done them. The purpose of the President was declared to be to act concurrently with the other powers to reestablish communication with Peking, to rescue the Americans there, to protect Americans and their property everywhere in China, and to prevent the further spread of disorder in the Empire. It declared further that it was the policy of the Government of the United States to seek a solution for bringing about permanent safety and peace to China, preserve Chinese territorial and administrative entity, to protect all rights guaranteed to friendly powers, and to safeguard for the world the principle of equal and impartial trade with all parts of the Chinese Empire.

The tone of the note was so calm, frank and reassuring that it met with the most sympathetic and hearty reception, and it aided greatly in encouraging and promoting the expedition which successfully undertook the rescue of the besieged legations and the early restoration of order and peace in China. It was a timely anticipation of a critical state of affairs, fraught with momentous consequences politically and commercially, and it served to reenforce respect for the "open-door" policy and insure its continuance.

The negotiations that followed, resulting in the protocol between China and the allies which was signed September 7, 1901, have also served to heighten the respect of the nations of the world for the straightforward, frank policy of the Government of the United States.

In those negotiations the demands made by the powers on China for punishment of those guilty of instigating or participating in the antforeign massacres were drastic and humiliating in the extreme, but by the skillful endeavors of our commissioners a degree of leniency was secured which, while insisting upon adequate punishment, yet saved in a measure the self-respect of the Chinese Government by providing that the punishment should be inflicted by that Government itself, and not by the allies.

Similar fair and reasonable consideration for China was insisted upon by our representatives in providing the means to prevent the recurrence of such troubles, the policy being to favor a stable and responsible government in China, thereby securing protection for our citizens and our interests under existing treaties.

#### OPPOSITION TO EXORBITANT INDEMNITY.

The firm stand taken by our Government against the exorbitant demand made by the allies by way of indemnity served to very considerably reduce the amount originally demanded, thus giving to the Chinese and to the world an example of interested and unselfish diplomacy which was almost startling. This considerate policy with regard to the indemnity has been persevered in, for within a year the United States Government has generously insisted, in direct opposition to all the other powers, that the silver tael, in which the indemnity was to be paid and which had fallen very much in value since the protocol was signed, should be accepted at its market value on the date of the signing of the protocol.

This friendly spirit manifested for China is not without its effect upon her, and has tended greatly to strengthen the ties which bind the two nations.

Early in 1902 our Government received information of the terms of a proposed agreement between China and Russia with regard to Manchuria. By it exclusive rights and privileges were to be given Russia in that province, which were in direct conflict with our treaty rights and tended to impair the sovereign rights of China in that part of her dominion.

A prompt and vigorous protest was made by our Government to both parties to the agreement, because of its effect upon Ameri-



can interests and those of the whole world and because of its conflict with assurances given with regard to the "open door." This protest was followed by a considerable modification of the terms of the said agreement in favor of other nations, and called forth from Russia a renewal of her assurances that she would maintain the principle of the "open door."

The recent commercial treaty negotiated by our Government with China, signed at Shanghai October 8, 1903, has further strengthened and reenforced the "open-door" policy by removing many annoying restrictions upon foreign trade, and simplifying the methods of intercourse with the Government of China, but the most important advantage gained by that convention was the opening of the two cities of Mukden and Antung in Manchuria as places of "international residence and trade." These cities, while not seaports, are important trade centers, and have strategic value commercially in that province. Events of diplomatic importance have followed one another in rapid succession in the Orient.

#### NEUTRALITY OF CHINA IN THE PRESENT WAR.

About the 1st of February a clash between Russia and Japan seemed inevitable. The geographic situation of those two powers made it evident that the area of hostilities would embrace to a greater or less extent the Empire of China, and that China herself was likely to become involved in the conflict, the consequences of which might seriously impair the integrity of that Empire and the benefits which the "open-door" policy seemed to assure to the United States and the world.

Quick to perceive and prompt to act in such a situation, Secretary Hay, after some preliminary negotiations, sent the following note, February 10, to the governments of Russia, Japan, and China, and a copy of it to other powers requesting similar representations to Russia and Japan:

"You will express to the minister of foreign affairs the earnest desire of the Government of the United States that in the course of the military operations which have begun between Russia and Japan the neutrality of China, and in all practicable ways her administrative entity, shall be respected by both parties, and that the area of hostilities shall be localized and limited as much as possible, so that undue excitement and disturbance of the Chinese people may be prevented and the least possible loss to the commerce and peaceful intercourse of the world may be occasioned."

The Japanese Government promptly responded on February 13, saying:

"The Imperial Government, sharing with the Government of the United States in the fullest measure the desire to avoid, as far as possible, any disturbance of the orderly condition of affairs now prevailing in China, are prepared to respect the neutrality and administrative entity of China outside the regions occupied by Russia, as long as Russia, making a similar engagement, fulfills in good faith the terms and conditions of such engagements."

On the 19th of February Russia replied as follows:

"The Imperial Government shares completely the desire to insure tranquillity of China; is ready to adhere to an understanding with other powers for the purpose of safeguarding the neutrality of that Empire on the following conditions:

"Firstly—China must herself strictly observe all the clauses of neutrality.

"Secondly—The Japanese Government must loyally observe the engagements entered into with the powers, as well as the principles generally recognized by the law of nations.

"Thirdly—That it is well understood that neutralization in no case can be extended to Manchuria, the territory of which, by the force of events, will serve as the field of military operations."

On the same day the governments of Russia, Japan, and China were notified that the answers were "viewed as responsive to the proposal made by the United States as well as by the other powers," and that the other governments would be so informed, their adherence to the principles having been duly notified to the Government of the United States.

This action gives China assurances of our continued friendly interest and our moral support in her effort to maintain her neutrality and peaceful conditions in her dominions.



## A CONSISTENT, BROAD, AND EFFECTIVE POLICY.

In this cursory review of the diplomacy of our Government during the past four or five eventful years of our history it is plainly to be seen that a consistent, broad, and effective policy of equality of opportunity in commerce and navigation in China has been pursued on lines in complete harmony with our well-known precedents and traditions. Our presence in the Philippines has necessitated our taking an active and prominent part in Asiatic politics by assisting in the maintenance of the balance of power in Asia and by our insistence upon the integrity of China yet this has been done without sacrificing in any degree our general policy of "no entangling alliances."

The elements that have entered into this policy are notably simplicity, directness, and openness. It can be safely asserted that the success which has attended our diplomacy in the Far East—and, indeed, always—is the result of the skillful use of these elements in all our international relations. As Mr. Hay has well said, "We have sought, successfully, to induce the great powers to unite in a recognition of the general principle of equality of commercial access and opportunity in the markets of the Orient," and through all the correspondence on the "open door" run these or similar plain, frank words, "to insure to the whole world full and fair intercourse with China on equal footing." Nothing could be more simple or more direct, and every detail of the negotiations has been given extremely prompt and timely publication.

The maintenance, and if possible the extension, of the "open-door" policy means much to us as a nation and to the whole world. To our nation it means an opportunity to secure enlarging markets for the products of our growing industries on terms of equality with other nations; to our citizens residing in or having interests in China it means increased safety to life and property; to China it means the establishment of a stable and responsible government and its territorial integrity and complete sovereignty; and to all the world it means equality of treatment for its commerce with a country capable of great expansion in its purchasing power, and the removal of sources of international misunderstandings, all of which make for the permanent peace and prosperity of the nations of the earth.

**Not open mints for the unlimited coinage of the silver of the world, but open mills for the full and unrestricted labor of the American workingmen.—Maj. McKinley's letter of acceptance.**

**That higher wage level aimed at by the fathers of the Republic, the policy of protection, which they inaugurated, secured, and still maintain.—Hon. George H. Ely, of Ohio, in the American Economist.**

**Our opponents ask the people to trust their present promises in consideration of the fact that they intend to treat their past promises as null and void.—President Roosevelt's speech accepting 1904 nomination.**

**No amount of intelligence and no amount of energy will save a nation which is not honest, and no government can ever be a permanent success if administered in accordance with base ideals.—Theodore Roosevelt in "American Ideals."**

**In this age of frequent interchange and mutual dependence, we can not shirk our international responsibilities if we would; they must be met with courage and wisdom, and we must follow duty even if desire opposes.—President McKinley at Omaha, Oct. 12, 1898.**

**The most casual observer must have perceived the rapid improvement in the commercial interests of the country which followed the enactment of the Dingley law, an improvement which has steadily increased in degree notwithstanding the adverse influence of actual war.—Hon. C. W. Fairbanks, in U. S. Senate, June 3, 1898.**

## SOME OF THE THINGS FOR WHICH THE REPUBLICAN PARTY STANDS.

### Encouragement of Manufactures.

Under the protective system inaugurated by the Republican party in 1861, manufacturing in the United States has grown from less than 2 billion dollars in value in 1860 to over 13 billions in 1900. In the entire 70 years from the establishment of the present form of government until 1860, in which period Democratic control and low tariffs were almost continuous, the annual value of the manufacturing industries had never reached as much as 2 billion dollars. In a single decade, from 1860 to 1870, under protection, they doubled in value, and in the 40 years from 1860 to 1900 grew from less than 2 billions to 13 billions in annual value of product. These statements are from the official figures of the United States Census.

### General Prosperity.

The prosperity of the country under protection as compared with its condition under Democratic control and free trade is illustrated by the fact that during all the 70 years of our government down to 1860, with almost continuous Democratic control and low tariff, the national wealth had only grown to 16 billions of dollars. In a single decade, from 1860 to 1870, under protection, it nearly doubled, the total in 1870 being 30 billions, and in the 40 years from 1860 to 1900 it grew from 16 billions to 94 billions of dollars. In the 40 years of almost continuous protection, the growth in wealth was 78 billions, or five times as much as the accumulations of the entire 70 years under practically continuous Democracy and free trade. In 1860 the per capita wealth was only \$514; in 1900, \$1,236. The development of the country and its industries during 70 years of almost continuous Democracy and low tariff had given to the people of the United States an average wealth of but \$514, while the developments under 40 years of protection brought a per capita to the vastly increased population of \$1,236.

### Money.

The money of the country, good in every part of the world and everywhere recognized as the best currency system of the world, amounts to over 2½ billion dollars, having grown from 1½ billions to 2½ billions since the Democratic party told us in 1896 that we could not have a proper increase of money without the free and unlimited coinage of silver. Since that date more than one billion dollars have been added to the money in circulation in the United States. (The figures for July 1, 1896, were \$1,506,434,966, and for April 1, 1904, \$2,516,639,223.) In 1860 when the Republican party assumed control the total money in circulation was but 435 million dollars, and that of a very unsatisfactory character. By 1880 it had grown to 973 millions, or more than doubled, and today it is practically six times as much as when the Republican party took control, and every dollar is good as gold and accepted throughout the entire world, while that of 1860 could not safely be accepted at any considerable distance from its bank of issue. In 1860 the money per capita was \$13.85; by 1892, when the Democratic party resumed control of the executive and legislative branches of the Government, it had grown to \$24.56; under that Democratic management it fell to \$21.41 in 1896, and under Republican control since 1897 has grown to \$30.87.

The banking system of the United States, which has grown up under Republican rule in conjunction with its great currency system, is recognized as the best and safest in the world, and under that system, a part of which is subject to direct government control and all to certain supervision by State or National governments, the deposits in all classes of banks have grown from 2

billion dollars in 1875, the earliest date for which complete figures are available, to over 9½ billions in 1903, and doubtless fully 10 billions of dollars at the present time.

### **Labor.**

Under almost continuous Democracy and low tariff up to 1860, the manufacturing industries of the United States employed less than 1⅓ million people and paid to them but 379 million dollars in wages and salaries; in 1900, under protection, the number employed was 5¾ millions, and the sum paid to them in wages and salaries 2,735 millions, or more than 7½ times as much as in 1860. With the prosperity that came to that branch of labor the earnings of the farmers were enormously increased and the value of their property multiplied. In 1860, after 70 years of almost continuous Democracy and low tariff, the farms of the country were valued at less than 8 billions of dollars. In 1900 they were valued at over 20 billions of dollars, an addition to the wealth of the farmer of the enormous sum of 12½ billions of dollars, while the annual value of the farm products, which in 1860 was but about one billion dollars, was in 1900 3¾ billions. The total value of animals on farms, which in the 70 years up to 1860 had only reached one billion dollars, was in 1903 over three billions of dollars. These are official figures from the census, except those of 1903, which are from the official reports of the Department of Agriculture. Up to 1860 the wool production of the United States, under Democratic free trade, amounted to only 60 million pounds production annually; in 1902 it amounted to 316 millions, or more than 5 times as much as in 1860.

### **Wages.**

Under the Republican system of protection in the United States wages have enormously increased, and to-day greatly exceed those paid in any other country. An official publication of the British Government, recently issued, showed that the rates of wages paid in skilled trades in the great cities of the United States were 79 per cent. higher than in the great cities of the United Kingdom, and in other cities and towns, 93 per cent. higher in the United States than in the same class of towns and cities in the United Kingdom. The unanimous statement of the Moseley Industrial Commission, made up of representatives of the English trade unions visiting the United States in 1902, was that the cost of living aside from clothing and rent was no greater in the United States than in England, and that under the much higher wages paid in this country, workingmen could doubtless accumulate much more here than in England.

The relative prosperity of the working classes in the United States and the United Kingdom is illustrated by the fact that the deposits in savings banks in the State of New York alone, with 7 millions of population, is more than in the entire United Kingdom, with its 42 millions of people. The deposits in savings banks in the United Kingdom, according to the latest official reports, are 959 million dollars, and in the State of New York, according to the official report of the Comptroller of the Currency, 1,112 millions.

### **Home Market.**

The protective system of the Republican party is especially intended to develop the home market, and that it has done so is shown by the fact that the value of the home market of the United States to-day is estimated by the Chief of the Bureau of Statistics as equal to the entire international commerce of the world. Up to 1860, according to the same authority, the home market amounted to but about 4 billions of dollars annually, while to-day it is 22 billions, or more than five times as much. Under Republican policy there has been built up for the American farmer and manufacturer, or producer of whatever class, a market at his very doors equal to the entire international commerce of the world, and four-fifths of this has been created under the Republican protective-tariff policy.



### **Reciprocity.**

The Republican form of reciprocity offers special trade relations to countries producing articles which we require in excess of our own domestic products and which will in exchange give special advantages to the products of our farms and factories. Democratic so-called reciprocity proposes mutual reductions of duties with countries which produce like articles, and is, therefore, free trade in competing articles, and subjects our producers to competition with foreign countries. Republican reciprocity is that outlined by President McKinley's last utterance on this subject, which was that it should be of a kind which "will not interrupt home production." "We should take from our customers," he said, "such of their products as we can use without harm to our industries and labor," and by "such sensible trade arrangements which will not interrupt our home production we shall extend the outlets for our increasing surplus."

### **Expansion.**

The additions to our territorial possessions since 1897 have already proved of great advantage to our commerce, and promise to be of even greater importance in furnishing to the United States that great supply of tropical products which it constantly imports for use in manufacturing and food supplies which we do not produce at home, and in building up in them a market for the products of our farms and factories. The commerce of the United States with Porto Rico, Hawaii, and the Philippine Islands has grown from 27 million dollars in 1897, the year before their annexation, to 75 millions in 1903, and is steadily and rapidly increasing. The United States imports about 400 million dollars' worth of tropical and subtropical products annually—more than a million dollars a day for every day in the year—and in buying this class of merchandise from producers on our own territory is developing there such prosperity that they will take in exchange the products of our farms and factories to the full extent of that which we purchase from them.

### **Trade with Asia and Oceania.**

Simultaneous with and largely resulting from our acquisitions in the Pacific has come a great increase in our trade with Asia and Oceania, toward which all commercial countries are now looking with longing eyes. The sales of the United States to Asia and Oceania grew from 27 million dollars in 1893 to over 100 millions in 1903, including the shipments to the Hawaiian Islands, and with our control of the Philippine Islands as a distributing point for our merchandise, promises to continue to expand most rapidly. The semicircle of Oriental and Pacific countries, of which Manila forms the center, has half the population of the earth and imports annually more than 1,200 million dollars' worth of merchandise, an average of 100 millions per month, or nearly as much as our total exports of domestic merchandise. A very large share of this importation of the Orient is of the class of goods which the United States produces and desires to sell—products of the farm and factory—and it is because of this great demand, the increased standing which the United States has gained in the Orient, and the popularity which American products are now making for themselves in this section of the globe, that our trade with the Orient is showing this rapid growth.

### **Panama Canal.**

The developments of the past few months, under the vigorous administration of President Roosevelt, have given assurance that the dream of centuries—a ship canal to connect the Atlantic and Pacific at the Isthmus of Panama—is to be made a realization by the Government of the United States under the direction of the Republican party. That canal will shorten the route from New York to the great commercial cities of Japan and China, the center of this great Orient trade, 2,000 miles, and make the United States even more surely the chief factor in the commerce of the Orient.

### Merchant Marine.

That last step in behalf of American labor and American commerce, the development of the merchant marine of the United States, has been delayed by reason of the attention required by our capitalists in the development of our railroad and other internal communications, and the further fact that European countries have meantime appropriated large sums of money to the upbuilding of their merchant marine service. During the last half century—practically during the time in which the Republican party has been in control of the Government—200,000 miles of railway, two-fifths of the railroad lines of the world, have been built in the United States at a cost of over 12 billions of dollars, a sum practically equal to all the money of the world at the present time. Meantime the European governments have expended 250 million dollars in aid of their merchant marine and are now expending at the rate of about 20 million dollars annually.

### REPUBLICAN LEGISLATION.

The following are some of the acts of legislation and administration by the Republican party:

1. The homestead law, passed by a Republican Congress and signed by Abraham Lincoln.

2. The acts for the issuance of legal tenders and national-bank notes, which gave the people a currency of equal and stable value in all parts of the country.

3. The system of internal-revenue taxation, by which approximately one-half of the ordinary expenses of the Government have been visited upon malt and spirituous liquors, tobacco, and cigars.

4. The thirteenth amendment to the Constitution, which abolished slavery.

5. The fourteenth amendment, which created citizenship of the United States as distinguished from citizenship of the several States, and provided that no state should abridge the privileges or immunities of citizens of the United States.

6. The fifteenth amendment, which established equality of suffrage.

7. The civil rights act, which extended to all persons the equal protection of the laws.

8. All existing laws for the payment of pensions to veterans of the civil war and their surviving relatives.

9. The liberal legislation respecting mineral lands, which built up the mining industry, added enormously to the wealth of the country in the precious and semiprecious metals, and made it possible to resume specie payments.

10. The resumption of specie payments.

11. The reduction of postage, the money-order system, the establishment of the railway mail service, free delivery, and other improvements that make the Post-Office establishment of the United States the most efficient agency of that character that can be found on the globe.

12. The Life-Saving Service.

13. The artificial propagation and distribution of fish.

14. The distribution of seeds, and other measures of vast importance in the promotion of agriculture.

15. The endowment of public schools, agricultural colleges, etc., by grants of land from the public domain.

16. The administrative customs act, which insures justice and equality in the collection of duties.

17. The international copyright law, which respects the rights of authors in the product of their brains, but at the same time protects our publishing industry by requiring that books shall be printed in this country to entitle them to copyright.

18. The establishment of the circuit court of appeals to relieve the Supreme Court and no longer require litigants to suffer a delay of three or four years in securing a decision on appeal.

19. The principle of reciprocity, by which we reduce the duties on certain imports from countries that offer corresponding advantages to our exports and thus extend our foreign markets.

20. The admission of the States of Kansas, Nebraska, Nevada, Colorado, North and South Dakota, Washington, Montana, Idaho and Wyoming.

21. The antitrust act. (This was drawn by Senators Sherman and Edmunds, and introduced by the former. In the House its passage was secured by William McKinley against an attempt to have it sidetracked in behalf of a bill for the free coinage of silver, which received the vote of every Democratic member with one exception. So it may be said that the law was placed upon the statute books over the united opposition of the Democratic party as represented in the House.)

22. The national bankruptcy acts of 1867 and 1898, which relieved many thousands of unfortunate men from their burdens of debt and restored them to commercial or industrial activity.

23. The establishment of the gold standard, which placed our monetary system on a stable basis and in harmony with the great nations of the world.

24. Every schedule of duties on imports adopted within the past fifty years in which the policy of protection to American labor has been distinctly recognized and efficiently applied has been the product of a Republican Congress.

25. On logical lines with the policy of protection, the acquisition of the Philippines. That is to say, having built up our industries to a point where their output was in excess of our consumption, we secured a grand depot and distributing point to command in great part the markets of the 600,000,000 inhabitants of Asia.

### **LABOR LAWS OF THE UNITED STATES.**

#### **Who Enacted Them?**

The great revolution, by which labor was exalted and the country freed from the curse of slavery, was accomplished by the Republican party against the fiercest opposition possible by the combined forces of the Democrats and their allies.

#### **The Coolie Trade Prohibited.**

This law was passed February 19, 1862; amended February 9, 1869; and further amended March 3, 1875. President Grant, in his message of December 7, 1874, laid before Congress a recommendation for the enforcement of the law. The legislation on these several acts was accomplished by the Republicans in 1862, in the Thirty-seventh Congress, and in 1869, in the Fortieth Congress.

#### **Peonage Abolished.**

This act was passed in the Thirty-ninth Congress, when both houses were Republican by a large majority, March 2, 1867.

#### **Inspection of Steam Vessels.**

Passed during the Fortieth Congress, when the Republicans were in power in both houses.

#### **Protection of Seamen.**

Passed during the Forty-second Congress, when both houses were under control of the Republicans. It was amended during the Forty-third Congress, when the Republicans were in control of both houses.

#### **Involuntary Servitude of Foreigners Abrogated.**

Passed during the Forty-third Congress, when both houses were under the control of the Republicans.

#### **Incorporation of National Trades Unions.**

Passed the Senate June 9, 1886, without division. Passed the House June 11, 1886, without division.

#### **Payment of Per Diem Employees for Holidays.**

Passed without division in the Forty-ninth Congress, second session.

#### **Labor of United States Convicts—Contract System Prohibited.**

Passed the House March 9, 1886. Passed the Senate February 28, 1887. All the votes against the bill were Democratic.

#### **Boards of Arbitration.**

Passed the House on April 3, 1886, with thirty votes against the bill, all being Democratic.

#### **Hours of Labor, Letter Carriers.**

Law limiting hours of labor of letter carriers to eight a day. Passed in the Senate without division.

#### **Department of Labor.**

Passed the House April 19, 1888. Passed the Senate May 23, 1888. All votes cast against the bill were Democratic.

#### **Trusts and Monopolies.**

The act to protect trade and commerce against unlawful restraints and monopolies (Sherman anti-trust law) was passed July 2, 1890, by the Fifty-first Congress, of which both the Senate and House were Republican.



## WORK OF THE DEPARTMENT OF STATE, 1897-1904.

The work of the Department of State has increased perhaps fivefold within the last six years, for the reason that our commercial and political interests have steadily grown in magnitude and importance. We have many new and significant points of contact with the world to-day that were unknown and unimportant a few years ago. World events are moving rapidly and our responsibilities abroad keep pace with them.

Consideration of the series of important happenings in the Orient, beginning with the Boxer trouble, and the settlement of the Panama Canal question, the growth in the authority and recognition of the Monroe Doctrine since Mr. Hay became Secretary of State, the expansion of foreign markets for American goods, the increase of over-sea commercial opportunities, the efficient support and emphatic insistence upon the application of the principle of international arbitration in a practical way to real disputes, will show in what directions have been our greatest activities and achievements in the world of diplomacy, and what they are likely to be in the immediate future.

It may be said without boasting that no period of our history has been richer in diplomatic triumphs of a high and wide-sweeping character than the few years now under discussion. Much that has been accomplished has been done so quietly and unobtrusively that the world at large knows little about it.

### **Settlement of Large Claims of American Citizens Against Foreign Governments.**

During the administrations of Presidents McKinley and Roosevelt there was collected and settled through the Department of State and its representatives abroad claims of American citizens against foreign governments amounting in the aggregate to the enormous sum of \$26,690,850.08. This record illustrates and marks one of the greatest practical achievements of our diplomacy.

Equal in importance with the practical pecuniary triumph and of the vast sum of money gained through the medium of pacific adjustment for American claimants was the rich gain in international good feeling due to the settlement of the many disputes of long standing growing out of these claims.

### **The Consular Service.**

The achievements of the consular service have been no less striking. Owing to the high state of efficiency to which it has been brought during the last few years, and in spite of the unfortunate system under which our consular officers work, it is now saving to the Government upward of six millions of dollars annually through the successful efforts of its officers in detecting and preventing undervaluations.

### **Many Important Treaties Made.**

The record of the Department of State in the matter of treaty making during the last eight years is a noteworthy one. The administration of President Roosevelt alone has upward of thirty treaties and international agreements to its credit, and since the first inauguration of President McKinley more than ninety treaties and agreements with foreign powers have been negotiated and proclaimed. They range in subject from the settlement of claims of private citizens to the control and construction of the Panama Canal.

Among the more important of these compacts are those providing for the extradition of fugitives from justice, the list including conventions with Belgium, Bolivia, Brazil, Chile, Denmark, Great Britain (a supplemental treaty extending the catalogue of extraditable crimes), Guatemala, Mexico (with which power also a supplemental agreement was concluded adding

liberty to the list of extradictable crimes), Peru, Servia, Switzerland, and the Netherlands (the last mentioned not yet proclaimed). This series of treaties, together with the extradition conventions preceding it, and with pending negotiations, closes the doors of almost all the civilized nations of the world against fugitives from justice of the United States.

Other treaties of marked importance are the peace protocol and peace treaty with Spain, of August and December, 1898, respectively; the cession of outlying islands of the Philippines; the real and personal property convention with Great Britain, providing for the holding and disposition of real and personal property of aliens by will and deed on a liberal basis; a treaty with Guatemala to the same effect; trade-mark conventions with Japan and Guatemala, securing equal protection with that afforded native subjects and citizens; a temporary arrangement of the disputed Alaskan boundary question in October, 1899; the appointment of a joint commission to consider for settlement questions at issue between the United States and Great Britain respecting Canada; the adhesion of the United States to the additional articles to the Red-Cross convention; the articles concerning naval warfare—a great humanitarian gain; the adhesion of this Government to the International Convention of Brussels of 1899, for the regulation of the importation of spirituous liquors to Africa; the canal protocols of December 1, 1900, with Costa Rica and Nicaragua, providing a means of agreement for the construction and control of an interoceanic canal by the Nicaraguan route. From 1898 to 1900 reciprocal commercial arrangements were entered into with France, Germany, Italy, and Portugal. Under section 3 of the tariff act of Congress of 1897, and in 1899 the United States participated in and became a party to the Hague Conventions, for arbitration of international disputes, for regulating war on land, for regulating maritime warfare, and the declaration to prohibit for five years the launching of projectiles and explosives from balloons, and other new methods of similar nature.

During the past seven years numerous claims of private citizens have been settled by special negotiations between our Government and those against which the claim was preferred, the foreign governments concerned being Guatemala, Haiti, Mexico, Nicaragua, Peru, Salvador, Santo Domingo, and Venezuela. While by the treaty of March 24, 1897, the Chilean Claims Convention of August 7, 1892, was revived and additional claims adjusted, it is hardly necessary to add that this Government bore a most material share in the settlement of the international difficulties in China after the Boxer revolutionary movements, culminating in the final protocol of September 7, 1901.

#### **Treaties Negotiated During the Administration of President Roosevelt.**

Among the proclaimed treaties the more important are the Hay-Pauncefote treaty (second) of November, 1901, to facilitate the building of the Panama Canal; the canal treaty with the Republic of Panama; the Alaskan boundary treaty; the Sino-American Fund arbitration treaty; the treaty of friendship with Spain; the commercial treaty with China, and extradition treaties with Belgium, Denmark, Guatemala, Mexico (supplementary), and Servia. The supplementary extradition treaty with Mexico is especially noteworthy as providing for the extradition of bribe givers and bribe takers, the crime of bribery being thus added to the existing list of extraditable offenses.

The Hay-Pauncefote treaty (of November 18, 1901) by repealing, or rather by superseding, the Clayton-Bulwer treaty (of April 19, 1850) cleared the way for direct negotiations for the construction of an interoceanic canal. Immediate advantage was taken of this fact and the Hay-Herran canal treaty was concluded January 22, 1903, but subsequently rejected by Colombia.

The Panama treaty (November 18, 1903) followed, and was proclaimed February 26, 1904, assuring the construction of a canal.

The Alaskan boundary convention (January 24, 1903) provided a tribunal by which the last important question at issue between Great Britain and the United States was satisfactorily



adjusted, almost entirely in accordance with the points claimed by our Government, one of the British members of the tribunal participating in the decision so largely in accordance with our contention.

The treaty with Mexico for the arbitration of the Pious Fund claim is distinguished not only as providing for the settlement of an important question long open, but also as submitting the first international case to the Permanent Court of Arbitration at The Hague. By a later international agreement this Government participated in a convention for the submission to the same tribunal of the question of preferential treatment of recent claims against Venezuela.

In addition to the commercial treaty with Cuba by which preferential benefits are secured to both contracting governments, an agreement providing naval and coaling stations for ships of the United States has been concluded and proclaimed, and two others—one respecting the status of the Isle of Pines, and the other defining our relations with Cuba—are pending.

The commercial treaty with China contains several very important provisions, besides a satisfactory tariff schedule. The Likin tax (the collection of a tax on goods in transit within the Empire) is abolished; revision of Chinese mining regulations is secured; protection in the use of trade-marks and ownership of patents is stipulated; a uniform national Chinese coinage is projected; but more important than all, two new ports are opened to foreign trade in China, namely, Mukden and Antung, in Manchuria, with the result not only of strengthening the American policy of the open door, but also that of maintaining Chinese jurisdiction in the territory, and tending to the integrity of China.

Three agreements with Spain have been perfected, that of July 3, 1902, reestablishing friendly relations and containing the provisions general in treaties of friendship—trade, residence, property and testamentary rights, diplomatic and consular privileges, etc. Another (January to November, 1902), by exchange of diplomatic notes, restores the international copyright agreement; while another, earlier (August to November, 1901), by exchange of notes and a joint declaration, facilitates the exchange of letters rogatory between Porto Rico, the Philippine Islands, and Spain.

Other treaties are, a consular convention with Greece (November, 1902); a trade-mark agreement with Germany for Morocco; the reciprocal commercial agreement with France (August 20, 1902) under section 3 of the existing tariff act; treaties for the settlement of claims with Venezuela, the Dominican Republic, Salvador, and Brazil; naturalization with Haiti; import duties and light and harbor dues in Zanzibar.

The five great achievements of the treaty making of the administration are the Hay-Pauncefote treaty, superseding the Clayton-Bulwer treaty; the Panama Canal treaty; the Alaskan boundary treaty; the commercial treaty with China, and the treaty with Menelik providing for commercial relations with Abyssinia, thus opening to our producers new trade relations with ten million people. This latter is one of the most important of our recent commercial treaties. The commercial treaty with Cuba is of hardly less importance as an act of good faith, pledged by this Government as one of the principal results of the war with Spain.

#### International Arbitration.

The administrations of McKinley and Roosevelt have been distinguished by the efforts put forth to promote peace among the nations and alleviate the evils of war.

President McKinley was active in seeking to have incorporated into international law the principle so long advocated by our country of the exemption of private property on the sea from seizure during war, a measure so greatly desired in the interest of maritime commerce. He instructed our delegates to The Hague Peace Conference in 1899 to urge this principle, and when the conference decided that it had no jurisdiction over the subject he asked Congress to authorize him to bring about an international conference for the consideration of this subject, and President Roosevelt has renewed the recommendation to Congress.



The United States was among the first of the powers to respond favorably to the request of the Emperor of Russia in 1898 for a peace conference. One of the few practical results of that conference was the arbitration convention, which was brought about mainly through the efforts of the American delegates. President McKinley had the honor of sending to the Permanent Arbitration Court established by that convention the first case ever submitted to it.

A notable opportunity was presented to President Roosevelt in 1903 to show his faith in international arbitration and in the efficacy of The Hague court. He was called upon by Great Britain, France, and Italy to arbitrate their differences with Venezuela, a distinguished mark of confidence in his ability and impartiality. But he declined the honor and referred the warring powers to the Permanent Arbitration Tribunal as the proper place to adjust their controversy.

The delegates of the United States to the Pan-American Conference of the American Republics, which met in the City of Mexico in 1901-2, were prominent in the adoption of a number of conventions and agreements for the better regulation of the commerce and intercourse of the American states, and among these was a convention for the settlement by arbitration of claims not susceptible of diplomatic arrangement.

But while President Roosevelt has committed himself so heartily to international arbitration, he recognizes that there are some political questions which may not be proper to submit to such an adjustment. The Alaskan boundary had in recent years become a matter of serious controversy, and stood as an obstacle to the maintenance of peaceful relations with Canada. In view of our long and undisputed occupation of the territory in question the President declined to allow the reference of the controversy to The Hague court, but instead he proposed the creation of a judicial tribunal of an equal number of members from each country, feeling confident that our claim would be established by such a body. Against much opposition and prediction of failure such a tribunal was created, and its decision has happily confirmed the wisdom of the President's action, peacefully settled this irritating controversy, and restored good relations with our northern neighbors. It has proved one of the most notable diplomatic triumphs of our Government.

#### **The Consular Service.**

The consular officers of no other government have such varied and important duties to perform as have the consular officers of the United States. Of these duties perhaps none are so important as those relating to the protection of American citizens and their interests abroad. Our consuls have displayed unusual ability in discharging these duties. American citizens arrested or subjected to annoyance in foreign countries have, with rare exceptions, found the American Consuls energetic and successful in their behalf. In China, Central and South America the consular officers have been called upon to perform delicate and trying duties of a diplomatic character and have discharged those duties with rare tact and ability. They have cared for and sent home the bodies of Americans who have died abroad and have collected and forwarded to legal representatives in this country the property of deceased American citizens in foreign countries.

But perhaps the most significant and valuable work, in a money sense, that has been achieved by the consuls has been in the way of detecting and preventing attempts to defraud the customs. In their investigations of values of merchandise exported to the United States our consuls have shown wonderful skill and industry, and their work in the direction of preventing exporters to the United States from undervaluing their merchandise has resulted in vast increases in the customs dues collected. An approximate idea of the value of this work of our consuls may be formed when it is recalled that the work of one consular officer alone has increased receipts from customs about one million dollars a year since 1898, a total of six million dollars in six years. There are 330 consular officers who are carrying on the same kind of work. They are for the most part equally energetic and efficient, and it is estimated that fully ten million dollars have been saved to the

revenues of the United States by the active, intelligent and persistent efforts of our consuls abroad. It is safe to say that this branch of our service alone has saved about ten times its total cost to the Government.

By means of a series of carefully planned instructions the department has secured a degree of cooperation on the part of consuls with Treasury officials that has hitherto been unattained.

The consuls have rendered a great deal of varied and important service to other departments of the Government than the Treasury. Acting under recent instructions our consular officers have been of great assistance to the Navy Department in the apprehension of deserters and stragglers from war vessels and colliers and are in constant communication with men-of-war in local waters, supplying them with much valuable information.

#### VALUE IN WAR AND PEACE.

During the war with Spain they rendered invaluable service to the Government of the United States. They formed a series of intelligent observers throughout the world and the information and reports gathered by them were often of the highest value and importance to those directing our military and naval operations.

At the instance of the Secretary of Agriculture and in pursuance of the pure food law of March 3, 1903, the Department of State issued instructions to consuls requiring prompt reports of the shipment of food products to this country. The character of these reports and the promptness of their transmission to the Bureau of Chemistry of the Department of Agriculture have been most gratifying and have to a great degree made possible an intelligent and successful enforcement of the law.

In their work in behalf of our export trade consular officers have shown themselves very efficient. In the introduction to the review of the world's commerce for 1902, it was stated by the chief of the Bureau of Foreign Commerce of the Department of State that

"whatever may be the defects of our consular service it is at least showing itself to be generally alert and responsive to the new conditions. \* \* \* The consuls have also been most active in sending reports at frequent intervals on a great variety of subjects of interest to the industrial and commercial world. \* \* \* A most gratifying evidence of the increasing value of the Consular Reports \* \* \* is found in the widespread demand for them on the part of colleges and schools as reference books in special courses of commercial instruction. \* \* \* In addition to the published reports, the consuls of late, by means of correspondence conducted under the supervision of the Department of State, have supplied a great mass of information to trade bodies and business firms, and in many cases have voluntarily exerted themselves in other ways to promote commercial expansion. Their efforts frequently elicit warm commendation in letters to the Department from the trade interests thus benefited, and even when a consular officer lacks other qualifications, it seldom happens that he fails to exhibit the characteristic American spirit in 'hustling' for business, not for himself, but for his country."

The activity of the consuls has been greatly stimulated by the prompter publication and wider distribution of their reports. In December, 1897, the department, discarding traditions, began the daily publication of such reports as were of current interest. The result has far exceeded all expectations and has marked a new era in the practical utilization of consular information. Our business men have been warm in their praise of it. One firm wrote the department, "we attribute our having nearly doubled our foreign trade during the last three years in great degree to the light we obtained from careful perusal of these reports." A manufacturing firm said respecting the assistance derived from the reports, "the result is to-day from 30 per cent to 35 per cent of our entire product in certain lines of hardware we export."

That this method of distributing commercial information is of great practical value is also shown by the fact that it was promptly imitated in part by both Great Britain and Germany.

#### HELPFUL TO COMMERCE.

Undoubtedly a large part of our commercial progress in recent years is due to the keen business instinct and activity of our consular officers in pointing the way to new markets, and to a great degree is due to them the credit for the enormous increase of our exports from \$886,606,938 in 1896 to \$1,420,141,679 in 1903,—over \$537,000,000 in seven years.



The consular fees collected have increased steadily and for the year ended June 30, 1903, amounted to \$1,190,634.42. There has also been a steady increase in the expenditures for the consular service, the expenditures amounting for the year ended June 30, 1903, to \$1,216,759.54, but notwithstanding this increase there has been a marked decrease in the actual cost of the service to the Government, ranging from an excess of expenditures over receipts of \$302,076.37 for the year ended June 30, 1898, down to the insignificant sum of \$26,125.12 for the fiscal year ended June 30, 1903.

Since 1901 the number of principal consular officers has been increased from 315 to 330 and the number of consular agencies decreased from 407 to 380. It is doubtful whether any country having a consular service comparable to that of the United States either in the number of its officers or in efficiency is able to maintain it upon anything like so small a net expenditure.

Our consulates are on the whole in excellent condition, both as regards the general character of the consuls and their work and their manner of performing it, and it may justly be said that we have reason to congratulate ourselves upon the personnel and efficiency of the consular service. The consular corps, which suffered great demoralization during the period from 1893 to 1897, owing to the violent, ill-judged, and wholesale removals, has been brought to its present state of manifold usefulness, cleanness, and high efficiency during the last eight years. Taken as a whole, it is composed of a higher and better type of men than it has ever before been able to enlist, and it is doing much better and more intelligent work. A few years ago our consular service would hardly have challenged the emulation of other countries. To-day it is regarded by the best authorities abroad as the most efficient organization of its kind in the world for increasing the sale of goods, for stimulating home industry and enterprise, and for informing exporters as to trade conditions in every important market of the globe.

Throughout the recent consular reform movement in England, the American consular service was constantly held up as a model of what the British service should be. An English trade journal said: "The United States is ahead of the world in regard to quick consular reports." An eminent German authority on consular matters recently referred to United States consular officers as "inspectors of our exports, and vigilant sentinels who spy out every trade opening or advantage and promptly report on it." They "dive into the economic condition of their districts and obtain information the result of which is discernible in the steadily increasing exportations of their home country. \* \* \* The United States consular officers give their Government better service and better information than any on earth."

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**The war with Spain was the most absolutely righteous foreign war in which any nation has engaged during the nineteenth century, and not the least of its many good features was the unity it brought about between the sons of the men who wore the blue and of those who wore the gray.—Theodore Roosevelt in "The Strenuous Life."**

**Whenever even a single schedule is considered some interests will appear to demand a change in almost every schedule in the law, and when it comes to upsetting the schedules generally the effect upon the business interests of the country would be ruinous.—President Roosevelt at Minneapolis, April 4, 1903.**

**The millions we formerly sent to aliens in alien lands to pay them for making tin plate for us we now pay to our own countrymen in the United States; we have the tin plate and we have the money expended for tin plate besides.—Hon. Wm. S. Greene, in Congress, April 28, 1904.**

**The 3,000,000 of men who went out of employment with the revision of the tariff by the Democratic party found employment in the enactment of the Dingley law by the Republican party, and a million and a half have been added to those who have employment in the industries of the country.—Hon. P. P. Campbell, in Congress, April 1, 1904.**



## THE TREASURY DEPARTMENT AND THE NATIONAL FINANCES.

Prosperity, induced by the enactment of the Dingley tariff law and the gold standard act of March 14, 1900, has been conserved by the Treasury Department throughout the administration of President Roosevelt. The achievements of the administration so far as they relate to the finances of the country have not been spectacular, but have had much to do with the continuation of business health and industrial vigor resulting from the election of President McKinley in 1896.

The adoption of the Dingley tariff and its consistent enforcement have secured to the Government sufficient revenues for the undertaking of great public improvements, in addition to providing for the running expenses of a Government which has suddenly outgrown the needs and opportunities of an isolated nation.

### Payment for the Panama Canal.

Perhaps the greatest fiscal undertaking during the administration of President Roosevelt was the payment of fifty millions of dollars (\$50,000,000) by which the American people secured absolute possession of the Panama Canal and the zone of territory through which it is to be constructed. This feat of fiscal engineering was so carefully planned and executed by the Secretary of the Treasury that the payment of this enormous sum practically at one time produced not even the slightest disturbance in the industrial, business, and financial circles of the country. Part of this sum was withdrawn, by orders of the Secretary of the Treasury, from the channels of trade, and practically simultaneously restored thereto, and the whole tremendous transaction was accomplished without attracting more than passing notice. Aside from marking the actual beginning of a canal between the Atlantic and Pacific oceans—a dream of American statesmanship for more than a century—the successful execution of this large fiscal undertaking is an unmatched object lesson of the financial resources and industrial health enjoyed by the United States under eight years of Republican rule.

### Reduction of Interest Rate.

One of the most important evidences of good Republican house-keeping is the great reduction in the rate of interest paid on the public debt, and also the contraction of the debt itself. July 1, 1896, the average rate of interest paid by the Government on its interest-bearing debt was 4.058 per cent. At the close of the fiscal year 1904, the average rate of interest is 2.7 per cent. This needs no explanation, and is the best evidence of thrifty and economical administration.

On November 1, 1899, after the Spanish war had been fought with such signal success, the interest-bearing debt of this country amounted to \$1,046,049,020. That was high-water mark, and even at that time the Government was paying an average interest rate of 3.857 per cent. Since then the net reduction in the principal to date has been \$150,891,580. Much of the decreased interest rate has been due to judicious refunding operations. This policy has been maintained consistently throughout President Roosevelt's Administration. Since the enactment of the gold-standard law of March 14, 1900, which was a Republican measure, passed by Republican votes, the Secretary of the Treasury has been enabled to gradually transform the interest-bearing securities of the United States from 4 and 5 per cent securities to those bearing interest at the rate of 2 per cent. Up to date the transactions along these lines are rather startling in their magnitude. The amount of bonds refunded since the operations began is \$542,909,950. The interest saved exceeded all expenses connected with the new issue by \$14,245,851, thus giving the government a net profit of that amount on the transaction,

**Increase of Money in Circulation.**

Under wise Republican management of the country's finances, the feeling of security, and wide-spread prosperity incident thereto, the circulation per capita has enormously increased during each year since the inauguration of President McKinley. On May 1, 1904, the circulation per capita was the highest in the history of the United States, being \$31.02 for each man, woman and child in the nation. July 1, 1897, the per capita circulation was only \$22.87. It has increased steadily throughout the succeeding years of Republican management, as shown by the following table:

July 1, 1896 .....	\$21.41
July 1, 1897 .....	22.87
July 1, 1898 .....	25.15
July 1, 1899 .....	25.58
July 1, 1900 .....	26.94
July 1, 1901 .....	27.98
July 1, 1902 .....	28.43
July 1, 1903 .....	29.42
May 1, 1904 .....	31.02

Compared with the tremendous volume of business and great opportunities for carelessness and fraud, the loss to the Government from occasional lapses on the part of public officials, always widely advertised, is infinitesimal. During the fiscal year ended June 30, 1903, the Treasury Department received and disbursed more than nine thousand million dollars without error or loss of a single cent. The total receipts on all accounts were \$4,615,509,655; the total disbursements, \$4,317,625,514; in round numbers an aggregate of nine billions—an average of thirty millions a day. These enormous financial transactions of course include the collection of revenue and the disbursements on account of public expenditure, the operations connected with the currency and public debt of the United States, the operation of the mints, the purchase and sale of bullion by the assay offices, the issue and redemption of national-bank notes, the issue, exchange, redemption and refunding of the bonded debt, the manufacture and issue of various kinds of paper money, the exchange of money of one denomination or character for another, the handling of postal funds, including money-order funds, on account of the Post-Office Department, and the necessary transfers of funds from one depository to another.

Not including the postal service the total net receipts from every source for the fiscal year 1903 were \$560,396,674.40. The total net disbursements on accounts for the same period were \$506,099,007.04. The receipts and disbursements aggregate in round numbers a billion dollars—approximately three million dollars a day.

The receipts and disbursements for the fiscal year ending June 30, 1904, aggregate in excess of one billion dollars, the receipts from all sources amounting, in round numbers, to \$540,000,000, and the disbursements, in round numbers, to \$580,000,000. This shows an apparent deficit of \$40,000,000. There has, however, been no bond issue, and out of the petty cash drawer of the United States has been purchased a Panama Canal for \$50,000,000, and \$4,600,000 has been advanced to the Louisiana Purchase Exposition to be reimbursed to the Government. These two extraordinary items have simply been paid from a surplus due to the thrift and good financial management of the party which has been in power since 1897. Under the immediately preceding Democratic administration, the purchase of the canal and the encouragement of an exposition of world-wide scope could only have been compassed through a bond issue, for during that period in the history of the country bonds were issued to pay the ordinary running expenses of the Government.

**Payments for the New Navy.**

Eliminating the two extraordinary items paid, as has been stated, by checks on the nation's surplus, the apparent deficit melts away, and in place thereof there is a surplus of approximately fifteen millions—this, too, in spite of the fact that during the fiscal year not less than \$35,000,000 has been invested in a



greater navy for the protection of American commerce and the preservation of the prestige of the nation.

Under Republican rule in the last eight years \$164,000,000 has been invested in this new and greater navy. At the time of the inauguration of William McKinley the total value of the new naval establishment, including vessels complete, vessels building, and the inventory value of the navy yards amounted to only \$162,000,000.

#### **New Public Buildings.**

Since the inauguration of the Republican Administration in 1897, fifty millions of dollars (\$50,000,000) in round numbers has been invested in public buildings and sites outside of the city of Washington. This generous public improvement has been nation-wide and evenly distributed according to the needs and opportunities of the various sections of the country.

The authorizations to purchase sites and construct public buildings since 1897 aggregate in round numbers 250. At the close of the fiscal year ended June 30, 1897, the actual investment in public buildings outside of the city of Washington amounted to \$244,235,432.64. At the close of business, June 30, 1903, the actual investment in the same class of improvements amounted to \$283,235,747.91. During the fiscal year ended June 30, 1904, something over ten million dollars has been added to that sum, making the total investment at the close of this fiscal year approximately \$294,000,000, as against \$244,000,000 when the Republican administration took charge of the affairs of government—this, too, in spite of the fact that for the first two years of Republican rule building operations were necessarily impeded by the condition in which the Democratic party left the Treasury. During the latter part of President Cleveland's term all building operations had ceased, and when the Republican party assumed control it contented itself with preserving the public buildings then in existence until such time as a repleted Treasury made possible an intelligent and farsighted improvement in public buildings throughout the country. It was, therefore, not until 1899 that the actual investment of the fifty millions in good real estate and substantial buildings was begun by the Republican party.

Stupendous fiscal operations like those above mentioned have been carried on for years by the officials of the Treasury Department in the most perfect manner with records so accurate that balances taken at the end of years and months of actual operations show the loss to the government of not one dollar of revenue and not one displaced security.

On the death of the Assistant Treasurer at New York and the appointment of his successor, the sub-treasury in that city was thoroughly inventoried between March 23, 1903, and May 12, 1903. A force of twenty-five experts working constantly made the transfer from the old to the new administration of that office. The sub-treasury was charged with \$296,911,256.62. To find whether that amount of money was actually on hand, it was necessary to count, piece by piece, \$17,000,000 in gold certificates, weigh \$200,000,000 in gold coin, and 65,000,000 standard silver dollars. The gold coin weighed 369 tons, the silver coins 1,930 tons, subsidiary silver coins 38 tons, and minor coins 14 tons. In this whole amount, \$25 in punched silver pieces was discovered, which sum was made good by those responsible for the errors. Short-weight coins to the amount of \$20 were discovered and made good in like manner. A bag of silver quarters was found to be short one piece, which was made good, and in the minor coins 23 cents over were found. These were the only errors found in cash aggregating \$297,000,000 in round numbers.

Each sub-treasury in the United States is overhauled in this manner at least once a year, whether there is a transfer in the Administration or not. A force of experts appears at the sub-treasury without warning and takes full charge. Seals are put on all vaults and safes and the business of the sub-treasury is conducted under the supervision of the examiners until the entire office has been checked up. The sub-treasury at New York is the largest depository of coin in the United States government, but the same care that is exercised by the Government in overhauling its vaults and papers, personnel and method of business is exhibited at every other sub-treasury in the United States.



For the first time in nineteen years, due to the immense pressure of business and the necessity for working night and day, the Bureau of Engraving and Printing, in which all the paper money of the United States is manufactured, was recently checked up from cellar to garret. This inventory began February 21, and on that date the Bureau was charged with having in its possession 8,921,156 sheets of distinctive paper, from which all of the paper money of the country is made. For two days one hundred and thirty persons worked from dawn until darkness counting piece by piece and sheet by sheet, and at the end of the second day it was found that the Bureau had actually in its possession the exact number with which it was charged. When it is remembered that in this Bureau alone there are 3,000 employees, each one of whom has to do at some stage with the manufacture of this paper money, the accuracy and integrity of the system are all the more remarkable. In the nineteen years that elapsed between the former count and the count described herein, more than 350,000,000 sheets of this distinctive paper—more than 2,000 tons—passed through the Bureau, and not a single sheet was lost or unaccounted for.

Nor is the Bureau of Engraving and Printing exceptional for accuracy in the various offices of the Treasury Department. After a lapse of 37 months the Commissioner of Internal Revenue recently instituted a count of all revenue stamps in the Bureau under his control. During the period from January 7, 1901, to February 23, 1904, the books showed that the total number of stamps handled by his Bureau amounted to 6,236,311,764; that the value of the stamps on hand at the beginning of that period, added to those received during the period amounted to \$955,067,567.64; that the office issued to collectors of Internal Revenue for sale stamps to the value of \$866,521,359.78, and delivered for destruction stamps to the value of \$36,530,256.78, while the balance on hand February 23, 1904, of stamps amounted to \$52,015,951.08. The *actual count* of the stamps on hand verified these figures to a cent.

Not less interesting or more remarkable was the actual count of funds in the possession of the United States Treasurer during the past year. Full count had not been made since 1897. July 1, 1903, the contents of the reserve vault were counted. The books showed that the vault should contain currency to the value of \$403,936,500. This exact amount was found to be inside the four walls of the strong box. January 19, 1902, the lower vaults in the office of the Treasurer, containing gold and silver coins, were counted. The Treasurer was charged with \$15,785,000. After a day of careful counting that amount was found to be correct to a cent. January 27, 1904, the national-bank notes in process of redemption in the National Bank Redemption Agency were counted. According to the books there should be notes in that Bureau to the amount of \$15,294,063.71. Not a dollar was found missing.

#### **An Element of Elasticity in the Currency System.**

Though the demands for currency at crop-moving periods were never so tremendous as in the last two or three years, the Treasury Department, by wise and prompt administrative measures, prevented any sudden contraction of the circulation and a consequent check to prosperity. The Secretary of the Treasury for the first time since the organization of the national banks in 1863, utilized the best class of approved savings-bank investments as security for deposits of public moneys in national banks, on condition that the Government bonds thus released be used for the immediate issue of additional national-bank circulation. In this way the circulation was increased many millions. But for this original and decisive action on the part of the Secretary of the Treasury, a currency famine would have resulted. Following in its train would undoubtedly have come contraction in various lines of industrial activity and at least a partial paralysis of prosperity. This element of elasticity, first injected into the national-bank circulation in the fall of 1902, was again used in the fall of 1903, with equally good results. To these wise measures and to the remarkable and widely distributed growth of national banks throughout the country is due in large measure the

continued and well-sustained prosperous condition of this country initiated by the Republican victory of 1896.

### **Extension of the National-Bank System.**

The gold standard act of March 14, 1900, gave a great impetus to the extension of the national-bank system of this country. In operation over forty-one years, there has been, during that period, up to April 30, 1904, 7,240 associations organized, of which 5,313 are in active operation, 1,516 have been placed in voluntary liquidation, and 411, or only 5.6 per cent., placed in the hands of receivers. Insolvent banks, the affairs of which have been liquidated, paid their creditors, on an average, 78.55 per cent. on their claims.

Under authority conferred by the act of March 14, 1900 (which authorized the incorporation of banks with a minimum capital of \$25,000), and subsequent to that date, national banking associations have been organized to the number of 1,976, with aggregate capital of \$114,591,500, the number and capital of associations organized in each geographical division being as follows: New England, 20 banks with capital of \$4,000,000; Eastern States, 346, capital \$28,524,000; Southern States, 488, capital \$26,456,500; Middle Western States, 604, capital \$33,681,000; Western States, 427, capital \$13,770,000; Pacific States and Territories, 88, capital \$7,535,000; Hawaii and Porto Rico, 3, capital \$625,000.

On March 14, 1900, there were in operation 3,617 associations, with capital of \$616,308,095, and outstanding circulation of \$254,402,730. Between that date and April 30, 1904, there was a net increase in number of banks and capital of 1,696 and \$158,141,220, respectively. During this period there was a net increase in the amount of national-bank notes outstanding of \$182,677,843, the outstanding issues amounting to \$437,080,573 on April 30.

From the foregoing, it will be observed that there has been a material increase in number, capital, and circulation of national banking associations as a result, primarily, of the legislation of March 14, 1900.

On February 13, 1900, the date of reports to the Comptroller of the Currency nearest to that of the passage of the currency act of that year, there were in active operation 3,604 national banks, with aggregate resources of \$4,674,910,710, of which \$2,481,579,942 was represented by loans and discounts. The amount of gold, silver, and lawful money held by the associations on that date was \$476,544,315. The principal items of liabilities were as follows: Capital stock, \$613,084,465; surplus and net undivided profits, \$363,872,959; circulation outstanding, \$204,912,544; and individual deposits, \$2,481,847,032. On March 28, 1904, the number of associations reporting to the Comptroller of the Currency was 5,232; loans and discounts, \$3,544,998,555; specie and other lawful money, \$617,515,582; aggregate resources, \$6,605,995,612. The paid in capital stock amounted to \$765,974,752; surplus and profits, \$574,532,691; circulation outstanding, \$385,908,198, and individual deposits, \$3,254,470,856.

Comparing the returns on the two dates, there is shown to have been an increase in number of reporting banks of 1,628, and in aggregate resources of \$1,931,084,902. The capital was increased to the extent of \$152,890,287; surplus and other profits, \$210,659,732; circulation, \$180,995,654, and individual deposits to the amount of \$772,623,824. The percentages of increase are as follows: Number of banks, 45 per cent.; aggregate resources, 41 per cent.; capital stock, nearly 25 per cent.; individual deposits, 31 per cent.; circulation, approximately, 90 per cent.

Classifying the returns by geographical divisions, it is shown that there has been an increase in the aggregate resources of the banks in every section of the country. In the New England States, by reason of liquidations and consolidations with other institutions, there were only 529 banks in operation on March 28, 1904, as against 565 on February 13, 1900. With this reduction in number of banks there is shown a reduction in capital stock of \$18,485,000, but an increase in surplus and other undivided profits of \$8,735,497. The increase in individual deposits was from \$322,259,422 to \$323,495,707, or \$1,236,285. The banks in this section increased their circulation to the amount of \$10,865,769.

The number of banks in the Eastern States increased from 976



to 1,242 with increased assets to the amount of \$818,321,183. The increase in loans and discounts is shown to have been \$442,125,929, or from \$1,067,365,098, to \$1,509,491,027. Specie and other currency held by the banks increased from \$268,812,664 to \$342,976,434, or \$74,163,770. The increase in capital stock was \$76,894,620; surplus and other profits, \$115,181,829; circulating notes, \$59,298,550. The individual deposits increased in the sum of \$231,423,116, or from \$1,106,036,612 to \$1,337,459,728.

In the Southern States the number of banks increased 420, or from 545 to 965. The increase in loans and discounts was \$144,469,806; specie and other currency, \$9,462,749, and aggregate resources, \$253,034,551. The aggregate resources of the banks in this division in 1900 were \$379,875,634, and in March, 1904, \$632,910,185. The increase in number of banks resulted in an increase of capital stock of \$28,177,371, or from \$64,067,960 to \$92,245,331. Surplus and profits increased \$23,578,802; circulation, \$28,904,590, and individual deposits \$129,924,413. The liabilities of the associations to depositors in 1900 were \$207,682,432, and in 1904 \$337,606,845, an increase of \$129,924,413.

National banking associations to the number of 1,566 were in operation in the Middle Western States on March 28, 1904, an increase since 1900 of 513, with an addition in capital stock of \$42,863,412, the amount of capital on the earlier date being \$159,948,100, and on the later \$202,811,512. The surplus and other profits increased from \$71,068,691 to \$117,289,634, or \$46,220,943. The banks in this section increased their circulation during the period in question from \$49,589,110 to \$103,620,140, or \$54,031,030. The individual deposit liabilities increased \$264,998,484, or from \$635,799,976 to \$900,798,460.

The number of associations in the Western States in operation in 1904 was 738, an increase of 392 since 1900, with an increase also in capital stock of \$14,613,656, or from \$29,984,500 to \$44,598,156. The aggregate resources of banks in this section increased from \$213,980,433 to \$351,304,708, or \$137,324,275. Increase in loans and discounts was \$69,344,026, and in specie and other currency holdings \$7,306,460. The surplus and other profits of the banks increased from \$9,534,642 to \$18,072,909, or \$8,538,267. The banks in this section increased their circulation from \$8,675,187 to \$23,136,092, or \$14,460,905. Individual deposits increased in the sum of \$78,612,601, or from \$135,331,545 to \$213,944,146.

The number of banks in the Pacific States and Territories reporting in 1904 was 189, an increase of 70 since 1900. The aggregate resources nearly doubled, amounting to \$237,459,617 on the later date, and \$122,353,994 on the earlier, the increase being \$115,105,623. Loans and discounts standing at \$52,641,665 in 1900, increased to \$113,617,579 in 1904, or \$60,975,914, and the increase in specie and other money was from \$15,455,970 to \$23,159,411, or \$7,703,441. The increase in capital stock was from \$19,145,000 to \$27,346,228, and the surplus profits from \$8,304,400 to \$16,639,560, the increase in each item being, capital, \$8,201,228, and surplus, \$8,335,160. Relatively, the greatest increase in circulation is shown in this section, the amount being \$13,168,310, or from \$4,376,777 to \$17,545,087. The increase in individual deposits was \$65,405,065, or from \$74,737,045 to \$140,142,110.

There were no national banking associations in existence in the island possessions in 1900, in consequence of which comparisons similar to the foregoing cannot be made. In March, 1904, there were in operation in Hawaii two national banks and in Porto Rico one, the aggregate capital of the associations being \$625,000; surplus and other profits, \$69,234; circulation, \$266,500; individual deposits, \$1,023,860. The banks' aggregate resources were \$2,407,864, of which \$309,179 was in specie and other currency, and \$1,176,407 loans and discounts.

The divisions of the States, geographically, are shown in the accompanying table relating to the organization of national banks from March 14, 1900, to April 30, 1904:

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**Fate has decreed, and her decrees are forever irreversible, that we shall dwell in perpetual unison. Political demagogues, for selfish ends, and senseless agitators cannot disturb the ties which bind us together with more than a Titan's power.—Hon. C. W. Fairbanks, at Lancaster, Mass., June 30, 1903.**



*Summary, by States, geographical divisions, and classes, of National banks organized from March 14, 1900, to April 30, 1904.*

States, etc.	Capital —\$50,000		Capital \$50,000+.		Total organizations.	
	No.	Capital.	No.	Capital.	No.	Capital.
Maine.....	1	\$25,000	4	\$225,000	5	\$250,000
New Hampshire.....	1	25,000	2	200,000	3	225,000
Vermont.....	1	25,000	1	100,000	2	125,000
Massachusetts.....	.....	.....	6	2,800,000	6	2,800,000
Rhode Island.....	.....	.....	1	500,000	1	500,000
Connecticut.....	2	50,000	1	50,000	3	100,000
Total New England States.....	5	125,000	15	3,875,000	20	4,000,000
New York.....	29	735,000	36	7,160,000	65	7,895,000
New Jersey.....	18	475,000	13	875,000	31	1,350,000
Pennsylvania.....	101	2,617,000	119	15,033,000	220	17,652,000
Delaware.....	5	145,000	.....	.....	5	145,000
Maryland.....	15	402,000	9	830,000	24	1,232,000
District of Columbia.....	.....	.....	1	250,000	1	250,000
Total Eastern States.....	168	4,374,000	178	24,150,000	346	28,524,000
Virginia.....	25	656,000	17	1,310,000	42	1,966,000
West Virginia.....	23	650,000	16	1,235,000	39	1,885,000
North Carolina.....	13	335,000	2	150,000	15	485,000
South Carolina.....	3	75,000	6	810,000	9	885,000
Georgia.....	14	400,000	11	1,065,000	25	1,465,000
Florida.....	3	85,000	10	1,200,000	13	1,285,000
Alabama.....	10	252,500	18	1,400,000	28	1,652,500
Mississippi.....	3	80,000	9	1,075,000	12	1,155,000
Louisiana.....	9	225,000	9	900,000	18	1,125,000
Texas.....	151	4,043,000	70	5,740,000	221	9,783,000
Arkansas.....	6	150,000	7	850,000	13	1,000,000
Kentucky.....	23	595,000	14	2,420,000	37	3,015,000
Tennessee.....	9	235,000	7	520,000	16	755,000
Total Southern States.....	292	7,781,500	196	18,675,000	488	26,456,500
Ohio.....	66	1,750,000	42	5,080,000	108	6,830,000
Indiana.....	39	1,035,000	26	2,600,000	65	3,635,000
Illinois.....	74	1,930,000	36	5,380,000	110	7,310,000
Michigan.....	7	190,000	9	2,680,000	16	2,870,000
Wisconsin.....	23	595,000	14	1,700,000	37	2,295,000
Minnesota.....	126	3,201,000	16	1,600,000	142	4,801,000
Iowa.....	73	1,940,000	26	1,535,000	99	3,475,000
Missouri.....	16	430,000	11	2,035,000	27	2,465,000
Total Middle Western States.....	424	11,071,000	180	22,610,000	604	33,681,000
North Dakota.....	57	1,435,000	1	50,000	58	1,485,000
South Dakota.....	33	825,000	2	100,000	35	925,000
Nebraska.....	41	1,065,000	5	300,000	46	1,365,000
Kansas.....	43	1,100,000	15	1,050,000	58	2,150,000
Montana.....	4	105,000	1	250,000	5	355,000
Wyoming.....	4	100,000	4	200,000	8	300,000
Colorado.....	15	390,000	11	900,000	26	1,290,000
New Mexico.....	10	255,000	4	250,000	14	505,000
Oklahoma.....	78	1,975,000	9	650,000	87	2,625,000
Indian Territory.....	76	1,965,000	14	805,000	90	2,770,000
Total Western States.....	361	9,215,000	66	4,555,000	427	13,770,000
Washington.....	4	105,000	5	420,000	9	525,000
Oregon.....	11	275,000	1	100,000	12	375,000
California.....	11	300,000	28	5,200,000	39	5,500,000
Idaho.....	12	300,000	4	250,000	16	550,000
Utah.....	3	80,000	1	50,000	4	130,000
Nevada.....	.....	.....	1	200,000	1	200,000
Arizona.....	4	105,000	3	150,000	7	255,000
Total Pacific States.....	45	1,165,000	43	6,370,000	88	7,535,000
Hawaii.....	1	25,000	1	500,000	2	525,000
Porto Rico.....	.....	.....	1	100,000	1	100,000
Total islands.....	1	25,000	2	600,000	3	625,000
Total United States.....	1,296	33,756,500	680	80,835,000	1,976	114,591,500

a Bonds deposited, \$28,020,100.

## THE WAR DEPARTMENT.

### **Its Policy and Administration Since 1897.**

From whatever view point the War Department may be judged in the past seven years, there can be no just criticism of its integrity, its administration, or its achievements. Nor can be questioned its extraordinary growth and useful importance as the chief instrumentality of executive authority in the varied and important affairs that imperatively claimed serious consideration in the two administrative terms since 1897. Without design or desire, the United States became suddenly saddled with the duties of governing three different sections of foreign countries, which, by reason of their different peoples and varying traditions and customs, presented to the Chief Executive political problems and obligations unparalleled in the history of the world.

Although the probability of war with Spain had long been contemplated, when it did occur its suddenness found the United States in a measure largely unprepared—its ocean ports and sea-coast cities almost defenseless. Despite all handicaps and the general unpreparedness, however, in military organization, equipment, armament, and seacoast defensive fortifications, the War Department met this vital emergency with astounding alertness and success.

Just prior to the outbreak of the Spanish-American war the strength of the Regular Army was but 2,143 officers and 26,040 enlisted men. Under the President's first and second calls for troops, April 23 and May 25, respectively, and the recruitment of the Regular Army to the maximum allowed by law, the strength of the Army, including regulars and volunteers, on August 8, 1898, had been quickly increased to 11,108 officers and 263,609 enlisted men. Congress also passed without a dissenting voice the \$50,000,000 voted to meet the emergency of that sudden war, and with unmeasured faith in the President of the United States left him without hindrance, condition, or restriction, to expend that large amount of money as, in his discretion, seemed best for the welfare of the country. No greater tribute to the lamented Republican President could have been paid by friends and opponents in the political world, and no more complete justification can be made of the integrity of the Republican Administration than to say that not one dollar of that appropriation was diverted from its intended proper use.

Finally, on May 30, 1898, instructions were issued by the War Department, under the direction of the President, ordering an expedition to proceed to Cuba to "capture the garrison at Santiago and to assist in capturing the harbor and fleet of the enemy." The expedition sailed on June 14, 1898, from Tampa, Florida, with 815 officers and 16,072 enlisted men on thirty-three transports, and arrived at Daiquiri on June 21. The troops immediately advanced and captured Siboney. On the morning of June 24, 1898, a dismounted cavalry brigade attacked the enemy at La Guasima and carried their intrenchments. On July 1 an attack was made on El Caney and the place was carried by assault about 4 p. m. In the meantime preparations for an attack on San Juan Hill were completed, and, after a fierce encounter, the American forces drove the enemy from his intrenchments and blockhouses, thus gaining a position that sealed the fate of Santiago, and on July 8 the commander of the Spanish forces offered to march out of the city of Santiago with arms and baggage, provided he would not be molested before reaching Holguin, and to surrender to the American forces the territory then occupied by him. This proposition was rejected; on the morning of July 11 the surrender of the city was again demanded; on the morning of the 14th General Toral agreed to surrender, and the formal surrender took place on the 17th of July.

Thus the war with Spain was practically ended with an invading army of less than 17,000 officers and men in a sickly

tropical country in the reputed deadliest season of the year. The United States had become master of the Island of Cuba though there were stationed on the island a fighting force of more than five times the size of our invading army, 80,000 veteran Spanish soldiers, the remnant of an army of 210,000 sent from Spain to dominate Cuba. The casualties of the United States Army in that war comprised 23 officers and 237 enlisted men killed, and 99 officers and 1,322 enlisted men wounded, only 13 of whom died of their wounds.

Meanwhile the combined operations of the United States Army and Navy in the Philippine Islands has occurred, beginning with Dewey's famous victory of May 1st, resulting in the capture of Manila on August 13, 1898, when the surrender of the Spaniards was completed and the Spanish colors on the sea front were hauled down and the American flag was raised. The 13,000 prisoners captured in Manila, added to the 23,000 surrendered at Santiago, constituted a force in themselves far superior to the victorious Americans.

After the close of hostilities with Spain it became necessary to deal with the insurrection in the Philippine Islands, which continued with unvarying successes on the part of the United States troops until the insurgents dwindled into mere bands of guerrillas, hiding in remote and sequestered resorts, and who finally gave up their arms and surrendered when, on March 21, 1901, Aguinaldo, their self-constituted chief or leader, was captured.

There is no prouder or more honorable page in the history of our Army than that covering the period of its successful suppression of the Philippine insurrection. Although the campaign against the organized Filipino troops was swift and short, lasting only about a year, the guerilla warfare that ensued, carried on by the various bodies of insurrectoes in the different parts of the island, covering an extensive area of operations, required a degree of zeal and labor on the part of our army seldom, if ever before, devolved upon any troops in the civilized world. Scattered over a vast expanse of territory, our 70,000 soldiers were distributed at nearly 600 stations, while pursuing columns were also undergoing untold hardships—generals and all alike without regard to rank—for a great part of the time carrying their own rations and possessing no other camp equipage than the half shelter tent or rubber blanket carried on the person. Lieutenants, as well as sergeants, found themselves commanding companies and expeditions, sometimes leading small aggressive expeditions, all proving themselves equal to the emergency and each contributing to the success finally achieved.

People in this country could have no idea of the extent of those military operations in the Philippines or the strain upon the physical endurance of our soldiers, who, for the first time in the army's career, were experiencing the sickening and debilitating service in the Tropics—marching over flooded rice fields, wading through dangerous swollen streams and crossing angry rivers on improvised rafts, often under hostile fire; all this without the usual place to rest in camp, without shelter from rain or sun, and often without cooked food. In thus fighting a guerrilla enemy, who, as occasion required, hid their guns and changed their clothing, pretending friendship, only to turn suddenly from self-styled "amigos" into murderous marauders whose cruelty and barbarism set at defiance all civilized warfare and shocked the sensibilities even of veteran soldiers, their bravery is only equaled by their forbearance.

#### **Reduction and Reorganization of the Army.**

Active military operations on the part of the United States having been completed, the attention of the War Department was given to the matter of reduction of the military establishment.

To those who, without correct knowledge of the facts and figures, assert that the tendency of the United States under Republican administration has been in the direction of an unduly increased military establishment, the following brief statement, based upon the official published reports of the Secretary of War to Congress, may be presented. Those reports show that when hostilities between the United States and Spain were suspended



by the signing of the protocol between the two governments. August 12, 1898, the Army of the United States consisted of 2,324 officers and 61,444 enlisted men of the regular force, and 5,216 officers and 110,202 men of the volunteer force, making an aggregate of 7,540 officers and 171,646 enlisted men. Under the provisions of the acts of Congress of April 22 and 26, 1898, providing for the increase of the Army at the beginning of the war with Spain, it was required that at the end of the war the entire volunteer force should be discharged from the service and the Army reduced to a peace basis, thus making necessary the additional discharge of 34,834 regulars and 110,202 volunteers besides, and substantially all of the 5,216 volunteer officers.

The mustering out and transportation of this large number of soldiers involved considerable labor, but it was all duly accomplished within the prescribed limitations of time. Scarcely had this reduction taken place, however, when, on account of the insurrection among the Tagalogs on the Island of Luzon, it became necessary to again increase the Regular Army to a strength not exceeding 65,000 men and to raise a force of 35,000 U. S. volunteers. This action was completed, and according to the report of the Secretary of War for 1899 it will be seen that the great bulk of our Army, numbering 65,957 regulars and volunteers, were stationed in the Philippine Islands.

#### **Splendid Work of Our Troops in China in 1900.**

The troubles that arose in China prompted the United States to send, as early as June 16, 1900, a regiment of United States infantry from Manila, with suitable transportation, medical officers, and rapid-fire guns, with instructions to the commanding officer to confer with the admiral commanding the American fleet at Taku, and to report to the United States minister at Peking for the protection of the lives of American citizens in China.

It will be remembered that, seriously threatening as was the condition in China at this time, the United States, reluctant to take any intrusive part in the affairs of that vast empire, proceeded with cautious conservatism, and it was only after it became apparent that our international dignity had been assailed and the lives and property of our citizens were in jeopardy, without any prospect of protection on the part of the Chinese Government, that the United States decided on its positive course for the protection of American interests in China. Not only had the United States legation at Peking been attacked, together with the legation buildings of other powers, but the United States legation, together with those of other foreign powers, were actually besieged, and the German ambassador at Peking was reported to have been murdered. It was at this time that a second combined expeditionary force to Peking became necessary, forming an allied army of all the great powers, and including our own military force under command of Major-General Adna R. Chaffee, who had been appointed to the command of the United States forces in China, to protect our citizens and our legation against the murderous assaults of the so-called Boxers, whom the Chinese government had acknowledged and proved itself utterly unable to control or subdue.

The splendid results in this display of American force and the assertion of the right of the United States to participate with the great powers of the world in oriental matters need not be recounted here. The total military strength of the expedition to China numbered 435 officers and 15,018 enlisted men, besides 2,000 marines, of which total number between 5,000 and 6,000 arrived in China before the capture of Peking, and played an important part in the troublesome questions which were considered and settled during that emergency.

Notwithstanding this diversion from the general plan of reduction of the military establishment it was not in any way changed, although for that year the aggregate force varied little from the number of the year previous, being maintained at 103,150, of which number 4,360 were hospital corps men. On account of conditions prevailing in the Philippines the military force in those islands was slightly increased to 74,094 officers and men, whereas on account of the tranquil conditions in Cuba and Porto

force in those islands had been largely re-

The official report of the Secretary of War for 1901 shows that the volunteer force, pursuant to the act of Congress of March 2, 1899, was to continue in service not later than July 1, 1901. It was, accordingly, brought back from the Philippines, where it was substantially all stationed, between January 1 and June 30, 1901, and mustered out in San Francisco. Meanwhile, however, in order not to leave the United States with a wholly inadequate force, the act of February 2, 1901, to increase the efficiency of the permanent military establishment, authorized the President to maintain a Regular Army, according to the exigency of the time, from a minimum of 59,131 to a maximum of 100,000, without any change of commissioned officers or in the number of organizations prescribed in the act. The improvement of conditions in the Philippine Islands in the spring and summer of 1901 made it unnecessary to maintain the maximum number authorized by law, and on May 8, that year, an order was made fixing the reduced strength of the several organizations in a manner to place the aggregate enlisted strength of the Army, including all staff departments, at 77,287 men, which, it will be seen, was a reduction in the military strength of the country of nearly 26,000. The further interesting fact should be noted that on September 25, 1901, the Philippine Islands held only a military force of 43,237, which was a reduction in the force stationed there the year previous of nearly 22,000 men.

In 1902, as reported by the Secretary of War on December 1, the continued improved conditions in the Philippine Islands made possible a further reduction of nearly 10,000 in the enlisted strength of the Army, leaving its total at 66,477, with an aggregate military force of only 22,433 officers and men in the Philippine Islands, being another reduction of nearly 21,000 in the Philippine Islands from the preceding year, or a total reduction in the two years of nearly 45,000.

Finally the last report of the Secretary of War for 1903 shows that under order made October 1, 1902, a still further reduction of the Army was made to the minimum number allowed by law, and even that minimum number, on account of subsequent discharges and vacancies occurring, was reduced on October 15, 1903, to 3,681 officers and 55,500 enlisted men. Of this number the force remaining in the Philippine Islands aggregated only 15,510 officers and men, a reduction from the previous year of 6,923, or a reduction in less than three years of nearly 52,000.

When it is remembered that the total strength of the Regular Army, according to the last report, did not exceed the minimum number fixed by law of Congress, which was an increase over the former nominal military establishment of only about 33,000 men, the fact at once is suggested that the increase has been but a small one, and not at all commensurate with the growth of population and the new conditions that arose demanding additional troops. Even had there been no war at all, the increased coast defense, which had been gradually going on for years, and which should and doubtless would have possessed if peace had indefinitely continued, alone demanded a greater increase in the artillery branch of the service than the whole Regular Army numbered in 1898.

Since the war with Spain officers of the Army have been called upon to perform many important duties of a civic nature. They have performed nearly every function of authority embraced in the civil as well as the military government, and to their credit it must be stated that in whatever office they rendered service they exhibited marked zeal and strict fidelity. Certainly it is most gratifying to realize that the military establishment of the country, as was recently demonstrated in the Philippine Islands, can, when called upon, meet every exigency of public service in all the departments of civil government, including those of finance, law, and diplomacy, and this often in addition to military duties, without extra expense to the Government.

Certainly the Army has reason to be proud of its record that in its responsibilities and the exercise often of unrestricted discretion public trust has been so well respected and guarded as to make conspicuous the fact that no officer of the Regular Army,



during or since the war with Spain, <sup>and</sup> <sup>not</sup> <sup>guilty</sup> of misappropriation or unwarranted loss of a single dollar <sup>of</sup> <sup>public</sup> <sup>money</sup> or property. In one instance alone, it may be stated by way of illustration, an officer of the Army, who, by reason of his station in San Francisco as depot quartermaster, fell heir to the trying duties of furnishing regular and urgent supplies to the troops in the Philippines, disbursed over \$37,000,000, and already his accounts have been balanced and audited without the suspension of a single dollar. Much of the vast sum of money expended by him was for purchases in open market, and in many instances of urgent rush he was compelled to be guided only by his own judgment, and even to take the responsibility of anticipating subsequent authority of acts that could not be delayed without injury or discomfort to the military service. Yet this officer is but one of many others similarly situated about the same time. For example, the present Quartermaster-General of the Army, who, as disbursing officer in various important commands ranging over Cuba, China, and the Philippines, expended over fifty million dollars of public money.

#### Administrative Reforms.

Undoubtedly the best achievement of the War Department in a purely administrative way has been the reforms inaugurated and established in the Army at large as well as in the War Department proper. An examination of the reports to Congress will develop the fact that never before in the history of our Government has there been such a fixed and steady policy pursued in any department so consistently, and so persistently adhered to throughout successive administrations as in the War Department, especially in the last five years.

As far back as 1899 the Secretary of War had advocated the establishment of a war college for certain specified duties, the collection of military information, and the furtherance of military instruction. At the session of Congress in which this recommendation was received the war college was established, and is to-day meeting all expectations in its important work.

In his report for 1900 the Secretary of War advocated the modification of the character of examination of admission to the West Point Military Academy, and that action was finally taken, giving the young applicants a fairer chance of success. He also, in that year submitted to Congress a proposed scheme for reorganization of the Army, and in February, 1901, the act to increase the efficiency of the Army was passed, fixing the minimum and maximum military strength. He also, the same year, prescribed a general scheme of instruction of the Army and submitted it to Congress as an appendix to his report covering said scheme. Thus became established schools at every military post in the country, as well as special service schools, including the Artillery School at Fort Monroe, Va., the Engineer School of Application, Washington Barracks, D. C., the School of Submarine Defense, Fort Totten, N. Y.; the School of Application for Cavalry and Field Artillery, at Fort Riley, Kans.; the Army Medical School, Washington, D. C.; the Signal School, also the Infantry and Cavalry School, at Fort Leavenworth, Kans., as well as the Staff College at the latter place, and a War College at Washington Barracks, D. C.—all forming a system of military education and training never before equaled in this or any other country, all under the supervision and direction of the war college.

In 1902 the Secretary of War also reported to Congress his policy inaugurated the year previous to remove the army posts, wherever practicable, out of the cities and large towns, and establish them upon larger tracts of cheaper land in the same neighborhood, so that soldiers might have more healthful air and larger opportunities for exercise and training.

In the same year the Secretary of War urged upon Congress the passage of the proposed scheme for improving the efficiency of the militia system which had remained unchanged since 1802 under antiquated laws. The militia law was passed, and to-day the Regular Army and the National Guard of the States are working together harmoniously upon a higher plane of usefulness, which promises most satisfactory results. Provision was made for joint maneuvers and military exercises by regulars and militia,



to the great advantage of both. In the same report for 1902 the Secretary of War reiterated his arguments made in the two preceding years in regard to the establishment of a general staff, which recommendations were enacted into law passed February 14, 1903.

In July, 1903, under the direction of the President, the Secretaries of War and of the Navy formulated a plan for a joint army and navy board, which was duly organized in general orders of the respective departments.

Of equal importance with the general staff act, the act to promote the efficiency of the militia, approved January 21, 1903, went into effect, supplemented by an appropriation of \$2,000,000 for the benefit of the organized militia of the States.

With a view to advance to a still higher degree the military proficiency, both of the Regular Army and the National Guard, the Secretary of War renewed his recommendation for further action by Congress for the establishment of permanent camp grounds for the instruction of both Federal and State troops. Finally, after having perfected his entire scheme of military improvement and Army reorganization—having completely revolutionized the government of the Army and military administration in the War Department—the Secretary of War, feeling that all practical improvement of the Army had been accomplished, informed Congress that, in his opinion, no further important legislation regarding the Army would be advisable for some time to come.

#### **Military Information.**

Under the new regulations the special duty of the war college is to assist the chief of staff and the entire general staff in the preparation of plans for the national defense. For this purpose a number of suitable officers have been detailed from the general staff for duty with the war college, which from time to time is instructed by the chief of staff as to the problems which it shall take up and the general line of investigation which it shall pursue.

Over and above all, however, the chief mission of this comparatively new war college institution is for the extension of military instruction. As announced in recent orders in defining its scope of duty it was said that "the object of the war college is not to impart academic instruction, but to make practical application of military knowledge already acquired."

The personnel of the college consists of a president, who shall be a general officer; two directors, who shall be officers of the general staff, the senior of the rank of colonel and the junior not below the rank of lieutenant-colonel; a secretary, who shall be an officer of the general staff; and certain other officers of the general staff, together with such other students as may from time to time be detailed under orders from the War Department. Excepting the detailed students, the officers on duty with the war college are officially designated as its "permanent personnel," whose work consists of all that is involved in the preparation for war, the practice of officers of the Army in strategical and tactical problems, and embracing also the general system of military instruction at all the post, garrison, and service schools, as well as at the staff college, including the approval of text books when used.

It is also made the duty of the war college to supervise and classify civic schools and colleges at which army officers are detailed as instructors, with a view to selecting those schools from which graduates may be appointed as second lieutenants in the Army.

Thus it will be seen that the war college goes beyond any institution of the kind even attempted before in this country. It opens and controls a field of military training extending beyond the army itself, and even to the organized militia of States, whose officers are eligible for instruction at the service military schools, and beyond that even to the young students in the various civic colleges of the country. All in all it is an institution of military learning and instruction unequalled in any other country in the world.

**Bureau of Insular Affairs.**

Naturally, in the regular order of the new conditions following the war with Spain, in assuming the control and supervision of affairs involved in the constitutional military government of the acquired insular possessions, the War Department found it necessary to segregate and set aside in a separate division specially selected officials for the management of all matters pertaining to the Philippine Islands, Porto Rico and Cuba. Thus was born in August, 1898, after the capitulation of the Spanish forces at Santiago, without any formative order or creative act of law, what was first called the Division, and now called the Bureau of Insular Affairs. It began on a small scale. Only one clerk was detailed to record the papers received at the Department, which, however, soon increased to such volume and magnitude that the bureau gradually grew in size until now it is composed of one chief, one assistant chief, one law officer and seventy-seven clerks and other employes, divided into seven divisions, each charged with some particular branch of insular affairs. A separate and complete branch of government as it now is within itself, it has practically evolved into an important executive department under the direct control of the Secretary of War. Its immediate chief was, necessarily, required to be a man of wide range of mental grasp, practical in business, and capable in the knowledge of all things pertaining to civil government. He was of necessity required to be possessed of rare executive ability, and, fortunately, all of these elements of usefulness and capacity were combined in the present chief of the bureau, under whom its extraordinary growth has prospered.

Never, even from the start, was this bureau a nominal establishment. Its duties and prerogatives now cover a broader and more varied field than possibly any other one bureau, or even any department of the Government. Its first important duty was with respect to Cuba, supervising and controlling the management of the customs and every other department of the military and the subsequent tentative government of the United States. Under an order of the Secretary of War in 1900 it was specifically directed that the class of business assigned to this bureau should embrace all matters pertaining to the civil affairs connected with the government of Cuba and the Philippine Islands as distinguished from matters of a purely military character. One of its most successful achievements was the preparation and supervision of the insular tariff system. It began early in its career to secure the employment and the transportation of hundreds of school teachers, and co-operated actively in carrying out the policy of civil service in the Philippines. It held itself ever ready to furnish information regarding the islands, compiling information and data both for Congress and the public. It issues a bulletin or monthly summary of insular affairs for the purpose of keeping the interested public intelligently informed. It distributed thousands of printed documents and conducts an immense correspondence covering all matters of inquiry. In the branch of accounts and statistics are kept the accounts of all receipts and disbursements of insular revenues based on auditor's certificates, so classified and tabulated that at any time a complete accounting may be had of the Government's financial stewardship in the Philippines. It records imports and exports, expends from six to eight million dollars a year in purchases for the Philippine Islands, and cooperates in the transfer of bullion and gold and the exchange of credits and transfers of funds between the Philippine and the United States treasuries. It formulated a monetary system, including the coinage system, which embraces also the system of money certificates, which has become a matter of great convenience in the transaction of business in the Philippines. It is practically the eye and the ear of the President and the Secretary of War, to see and hear everything of interest happening in the Philippines, and has undoubtedly been a valuable instrumentality in insular affairs.

Fortunately, the present Secretary of War, to whom the chief of the insular bureau reports direct, by reason of his complete and practical knowledge of Philippine affairs, will be able to direct even with greater usefulness and advantage the administration of this bureau.



Under the encouragement of this bureau a magnificent exhibit of the Philippine Islands is being displayed at the St. Louis World's Exposition. The people of this country will have ample opportunity not only to examine the products and resources of the Philippine Islands, as shown in the exhibits, but will be able likewise to observe the manner of daily life of the Filipinos who are gathered in the village at the World's Fair Grounds. The large number of representative Filipino citizens of education and more or less prominence in Filipino politics, now visiting the United States under the auspices of the Bureau of Insular Affairs, will do much on their return to explain to their people the conditions in this country.

Under the policy of enlightenment and education inaugurated by the United States Philippine Commission, about 125 intelligent Filipino boys reached the United States last fall and spent the winter in California. Arrangements are now being made, under the direction of the Bureau of Insular Affairs, to distribute them in various schools and colleges in the United States. To each of these boys the encouraging promise is held out that, after a certain period of schooling, they may return to their country and enter the public service.

#### **The Quartermasters' Department.**

At the outbreak of the war with Spain, six years ago, the regular establishment of the Quartermaster's Department comprised 57 officers of all grades.

Eleven small harbor vessels were owned and operated by the Quartermaster's Department.

The total expenditures of the department for all ordinary purposes during the twelve months ending June 30, 1898, aggregated between nine and ten millions of dollars.

The supplies of every class in the hands of the department consisted of only the ordinary quantities customarily carried in times of peace for the provision of a comparatively small force; and these were not of the character to meet the peculiar requirements of tropical service.

Within a few weeks following the destruction of the Maine, the total strength of the Army, regular and volunteer, had been increased from 26,040 to upwards of 275,000 men, practically all of whom were without equipment of any kind; it immediately became the duty of the Quartermaster-General, aided by his assistants, to provide the armies with camps for concentration, transport them, and furnish them with shelter, clothing, fuel, cooking facilities, general supplies, wagons, animals, harness and forage, water, camp sewerage, scavenger service—in brief, with everything required for the complete equipment of the soldier of the line except his arms, ammunition, food and medical supplies, for which latter, however, it was also the duty of the Quartermaster's Department to furnish transportation.

Promptly with the call to arms thirty-one concentration camps and temporary depots sprang into existence throughout this country, and at forty points in Cuba, thirty-eight in Porto Rico, and nearly six hundred and fifty in the Philippine posts, temporary stations, and depots were established, at which quartermasters, acting quartermasters, or quartermasters' agents were on duty, and from which transportation was provided and supplies received, distributed, and issued to troops. Hospitals were built, depots rented or constructed for housing the vast quantities of commissary, quartermaster, medical, signal, and ordnance stores; all in addition to the ordinary duties of the department. As an example of the magnitude of the operations required it may be said that in a comparatively brief list of certain articles of clothing and tentage, the issues of which for ten months ending April 30, 1898, amounted to 1,522,227 articles, it was found necessary to provide in the 3½ months from May to August a total of 14,329,531.

To meet the demands for oversea transportation a fleet of 69 chartered vessels had been provided by June 30, 1898, and in the succeeding year 26 other vessels were furnished by charter; the services of these were dispensed with as rapidly as they could be spared.



Armies were transported, consisting of 17,460 men to Porto Rico, 65,612 to Cuba, 75,723 to the Philippines, and 3,700 comprising the China relief expedition, together with their necessary civilian employees, animals, and impedimenta.

During the period from the outbreak of the Spanish War to June 30, 1903, the transport service of this department has carried the following totals:

Persons .....	627,737
Animals .....	73,438
Tons of material .....	772,709
Miscellaneous packages .....	6,000,000
Pounds of mail matter .....	5,000,000

and between \$30,000,000 and \$40,000,000 in currency and coin. This entire service has been performed without the loss of a single life chargeable to any act or neglect of the service, and with an extraordinary minimum of ordinary casualty. The figures given are exclusive of the inter-island service in the Philippines, Cuba and Porto Rico.

The total of all expenditures from United States funds, which prior to the war amounted to about \$9,000,000 annually, and which under the stress of emergency rose to about \$125,000,000 in the year following the first war appropriation of May 4, 1898, aggregated on June 30, 1903, \$404,523,869.95. In addition to this, as before shown, the officers of this department also disbursed large amounts of insular funds.

To-day the department does business over practically every route known to commerce and travel; provides the necessities of men under the tropical sun, and, surrounded by unbroken fields of ice and snow, counts its supply depots from Alaska to China; from the Philippines to Porto Rico; and along the vast expanse of the Pacific, where our tiny islet possessions reach like stepping stones to our lands in the distant Orient.

The transport fleet has now been reduced to ten oceangoing vessels in commission. The appropriations for the year ending June 30, 1904, was \$39,453,794.44, a large reduction over the preceding year, and the appropriations for the coming year mark a still further reduction of nearly \$5,000,000, being \$34,648,412.50.

#### **The Commissary Department of the Army.**

At the close of 1897, and in a time of peace, the strength of the Army, a little over 25,000 men, was confined to a compact territory and with an appropriation for its subsistence of less than \$2,000,000. Within a few months thereafter the country was precipitated into a war and the Army swelled more than tenfold in number, and the appropriations mounting up until they reached a maximum of over \$24,000,000 for the Subsistence Department in a single year. The Army was supplied, not counting the great quantities of other stores, with upwards of 65,000,000 rations in less than a year that the Spanish troubles lasted. The large sums involved were economically expended and the rations promptly distributed and issued. This sudden and great emergency was fully met by the Subsistence Department without a breakdown, and to the satisfaction alike of the Government and the soldier.

In the past few years the Subsistence Department has met the demands for vast quantities of rations and stores for troops in Cuba, Porto Rico, and the Philippines, whose almost sole dependence was upon a supply through the Subsistence Department and drawn from the United States. This distant and untried field, with its trying climatic conditions, presented a new and difficult problem; but the department met and solved this problem of foods required for troops in the Tropics and the best methods for their preservation, still keeping the United States Army in the position of the best-fed army in the world.

In the Philippines, on many occasions, the Subsistence Department made it possible to supply hot food on the firing line. During the Boxer trouble in China in 1900, it was called upon to meet the sudden demand of the army transported there among hostile surroundings, and successfully met every requirement, and many complimentary remarks were made regarding the amount and quality of the stores furnished. The new army ration established by President McKinley in 1901 is the best and most liberal one of any army ration in the world, as may be seen by comparison.

and goes far toward insuring the health and efficiency of the troops, who are so largely dependent on the food supply. Dr. Yorke Davies, one of the greatest living authorities on food, diet, and hygiene, who has for many years paid particular attention to the army rations of the world, said in 1902: "My experience in studying the diets of the different armies of the world is that far and away the best for the making of physically powerful soldiers is that given in the Army of the United States of America."

#### **The Medical Department.**

The sudden expansion of the Army imposed a most difficult task upon the Medical Department—a task which was worked out with the greatest success and the highest credit. War inevitably entails disease, suffering, and death, but, it can be safely said, in no war have the sick and wounded received so many comforts and been so tenderly nursed.

The health of our troops serving in the newly acquired territory has been guarded by every provision that modern science can provide, and the sickness and mortality from disease has been kept far below what was to be expected. The ratio of deaths per thousand of mean strength for the first year of the war was but 25.73, while that for the first year of the war of 1861-65 was 45.87.

In 1898-99 smallpox was epidemic in Porto Rico, having existed for an indefinite period of time. Under the superintendence of the Medical Department of the Army between January and July, 1899, practically the entire population of the island was vaccinated, with the result that the disease was practically eradicated.

In June, 1900, the conquest of yellow fever in the island of Cuba was begun by army medical officers. The disease, which was known by authentic records to have existed without a year's intermission for a period of one hundred and fifty years, appeared for the last time in September, 1901, since which time the city of Habana has enjoyed complete immunity. Occasional cases imported from Mexican and Central American ports are treated in the ordinary public hospitals of Habana in mosquito-proof rooms and no secondary cases follow.

It will be remembered that in June, 1900, a commission of army medical officers met at Habana for the purpose of studying the causes of yellow fever. Major Reed, the master mind of the commission, in a series of most perfectly planned experiments, proved beyond doubt that yellow fever is transmitted only by the bite of a particular species of mosquito, and that the old theory that filth, infected articles of clothing, etc., could carry the disease is absolutely untenable. The commissioners exercised great scientific ability and energy in their investigations, and much individual heroism was required amongst them, as well as on the part of the enlisted strength of the Army who voluntarily offered themselves as subjects for the experiments. The lamented death of United States Contract Surgeon Lazear from the bite of an infected mosquito, and the severe illness of Contract Surgeon Carroll and others from the same causes, constituted the best proofs of personal courage and professional zeal and earnestness on the part of the commission.

Based entirely on the conclusive theory that yellow fever was transmitted only by the mosquito, Colonel Gorgas, of the Medical Department, then chief sanitary officer of Habana, began the eradication of the disease from that city in the spring of 1901.

It is not too much to say that the work of this yellow fever commission resulted in the greatest discovery in the line of preventive medicine since Jenner demonstrated the protective effects of vaccination against smallpox. It is everywhere so recognized by the scientific bodies of the world, and within the last month the Pasteur Institute of Paris has published the results of the experiments of a commission investigating yellow fever in Rio de Janeiro, which results entirely confirm those of Reed and his companions, and show practically no further advance in knowledge of the disease.

In the Philippine Islands it became the duty of the Army Medical Department to protect the army from cholera and plague. The United States troops at Manila and some of the larger seaport towns have been carried successfully through an epidemic of



bubonic plague with but one or two cases. Smallpox has been almost eradicated from Manila and the larger towns.

#### **The Pay Department of the Army.**

An examination of the records of the Pay Department shows that from 1896 to 1903 inclusive it was accountable for \$310,112,625.32. The balance in the hands of the paymasters on June 30, 1903, up to which date the last computation for the purposes of comparison was made, amounted to \$5,320,647.19, showing, therefore, that the total expenditures in the period above specified aggregated \$304,791,978.13. This money was disbursed in all parts of the world where the Army was then operating, in Cuba, Porto Rico, Hawaiian Islands, Alaska, China and the Philippine Islands. \$276,577,212.99 was paid to troops and the balance, as shown, was properly accounted for. Over twenty-eight millions of dollars were transported to the Philippines in currency; 235,000 volunteer soldiers were mustered out of the service; 425,203 deposits by enlisted men, aggregating \$14,268,346.13, were received by paymasters; and 355,105 deposits, amounting with interest to \$12,734,177.34, were paid back to depositors.

#### **River and Harbor Work.**

In no department of governmental activity perhaps has there been more progress during the past eight years than in the work of improving rivers and harbors, which has been under the direct supervision and control of the Corps of Engineers of the Army; and certainly there is no field of effort more important or beneficial to the people at large. From the inception of the Government one of the most momentous problems which has required constant consideration is that of cheap, safe, and untrammelled transportation.

Waterways are the commercial highways of the nation, absolutely free, and offering equal facilities to all who desire their use. Very wisely, therefore, the Government, at an early day, inaugurated a policy of improvement, the first appropriation for such purpose having been made in 1800. In the beginning this policy was very limited in scope; but the advance of population and commercial industry rendered the greater use of our lakes, rivers, and seacoast harbors imperative, and this increasing course of progress required a corresponding increase in appropriations for its protection and development. At no period has this development been greater than between the years 1896-1904; and the systematic and energetic methods employed, born of experience and intelligent conception on the part of Congress and the executive, have resulted in a maximum of benefit to the agricultural, commercial and manufacturing interests of the country at a minimum of cost. During these years Congress has appropriated a total of \$175,806,554 for the execution of definite projects carefully and scientifically formulated by experienced engineers.

There are now 603 separate works being carried on under the charge and supervision of 72 trained and educated officers of the Corps of Engineers. These works range from the bays and broad armed ports where "rich navies ride," to the small streams, creeks and inlets over which the products of the farm are carried to market in rowboats and small schooners, or lumber from our virgin forests is floated in rafts. In 1896, about 7,500 men were employed on river and harbor works, whereas during the past year more than 11,000 have been given regular and profitable employment, an increase of nearly 50 per cent.

To convey an accurate understanding of the magnitude of the internal commerce using our waterways, and of the work that has been accomplished for its convenience is an almost impossible task. The constant growth in size, draft, and carrying capacity of vessels navigating the inland waterways, as well as those employed on the seaboard, has necessitated increased depths and widths of channel. Twenty-five years ago harbor depths of from 12 to 25 feet were considered ample, but depths of 30, 35 and even 40 feet are now required in our important harbors, and have already been acquired or provided for.

Among the results accomplished up to the present time may be mentioned the increased depths and widths of channels in the



great harbors of the country, particularly Charleston, where the depth has been increased from 10 to 26 feet, and Galveston, where the original depth of 12 feet has been increased to 27 feet; the improvement of the ports and rivers tributary to the Great Lakes, which has developed a marine performing a service greater than that done by one-quarter the entire railway freight equipment of the nation, and forming a means of transportation costing only about one-ninth of the cost of the same service by rail; the construction of canals, and twenty-three different slack-water systems as artificial aids to the navigation of rivers, such as the St. Mary's Falls Canal through which there passed during the year ending June 30, 1903, 16,615 vessels, aggregating 26,557,413 registered tons, and carrying 31,628,365 tons of freight, and 21,996 passengers, a traffic more than twice as large as that which passes through the Suez Canal; the improvement of the Mississippi River and its tributaries, aggregating more than 16,000 miles of navigable waterways, reaching the very center of the country and affording a cheap and ready means of transporting the vast products of farm and mine; the improvement of various important harbors and waterways on the Pacific coast, including the Columbia River, which penetrates the rich forests of Washington and the grain-bearing regions of Oregon, and into which, since improvement, the largest vessels can now enter and depart without difficulty; in short, every part of our seacoast, from St. John to the Rio Grande, from San Diego to Puget Sound, more than 23,000 miles in extent, and every section of the country traversed by our inland waterway has been benefited by reason of the increased facilities and lessened cost of transportation.

#### **The Work of the United States Army Signal Service Shows Splendid Achievements.**

On occupying Cuba the Signal Corps of the Army found a few dilapidated telegraph lines on the western half of the island about 800 miles in length, operated with antiquated methods, with tariff rates increasing in proportion to the length of the message, without free delivery, and with grave uncertainties as to espionage, secrecy, and delivery. It constructed a system of about 3,000 miles with two main trunk lines from the extreme eastern to the western end of Cuba, and thirteen intersecting cross-lines. The American system was thoroughly installed, with instruments of the best modern type, a speedy and reliable transmission, with low tariff rates, certainty of delivery and inviolability of messages. The Cuban operators were trained in American methods, and by judicious action the entire system was turned over to the Cuban government without interruption or delay in current business. More than 1,000,000 messages were sent in a single year. Not a cent of the commercial receipts was spent, but every account was systematically audited and the receipts deposited without loss in the Cuban treasury, and the lines were turned over with commercial receipts of about \$100,000 annually.

In Porto Rico the Signal Corps found an antiquated, inefficient system, expensively and inefficiently managed. During the military occupancy of the island a hurricane destroyed the whole system, some 800 miles, which was rebuilt in accordance with modern engineering methods and thoroughly equipped with American instruments. This entire system of Porto Rico was maintained, operated, repaired and reconstructed by the Signal Corps without entailing a dollar of expense on the treasury of Porto Rico, to the government of which the telegraph lines were transferred without impairing the efficiency of the service.

The Signal Corps found the Philippine Islands destitute of any land telegraph system on the American occupancy, Manila being connected, however, by cable with three islands. A telegraph and cable system of about 7,000 miles has been constructed, of material all of American manufacture, and maintained efficiently and economically. It connects fifteen of the most prominent islands of the archipelago, facilitating greatly commerce and business, as well as administration. American methods of inviolability of messages, low rates, and efficient service have been carried out, and the cost of telegraphing over this system is from one-third to one-fourth of that charged by the English cable system installed by Spain in these islands. The commercial receipts, exceeding \$50,000

per year, have been carefully audited and deposited in the treasury without loss, no expenditures being made therefrom.

The Signal Corps telegraph system in Alaska constructed during the past three years affords telegraphic communication with nearly every place of importance on the mainland of Alaska, including the entire Yukon Valley as far as St. Michael Island. The completion of an all-American cable route, which shall bring the whole of Alaska in direct communication with the rest of the United States, is in progress and will probably be completed the present year.

#### Coast Defenses.

The United States Engineers and Ordnance Departments are so intimately connected and mutually dependent upon each other for military usefulness in the work of construction and armament of the coast defenses that they must be in a measure considered together. The Engineers, under recommendations of the Board of Fortifications and Seacoast Defenses, construct the forts, batteries, and fortifications, and the Ordnance supplies the guns and war munitions. The work of each is most important and involves much expenditure of money especially in time of peace when must be done the efficient work of manufacturing guns and ammunition and constructing fortifications, as well as preparing emplacements of heavy guns—all this in preparation for war which, after all, is the only time their practical use is ever contemplated.

To form some idea of the extent of this work of construction and manufacture, the fact may be mentioned that the so-called seacoast guns vary in size from six inches to twelve inches and cost from \$10,000 to \$55,000 each, while most of these guns are mounted on the disappearing carriages so designed that the recoil carries a gun from the more or less exposed firing position to one of concealment and security behind the parapets. The cost of such gun carriages varies from \$10,000 to \$40,000 each, according to size, making each effective complete mounted gun cost from \$20,000 to \$95,000, irrespective of the additional large cost of construction work involved, and also the cost of projectiles and powder, the charges of powder for each firing of the gun varying from one hundred to four hundred pounds.

One of the great achievements in recent years of these two departments has been a great reduction in the cost of emplacement of the heavy guns so as to protect them from the enemy after firing. Formerly, when the work began under the Endicott Board scheme of 1886, the only means of protecting the high power coast defense gun was the steel or chilled coast iron turret, the cost of which was between \$1,100,000 and \$1,000,000 for each pair of 12-inch guns mounted. The gun lift scheme was subsequently adopted at a cost of \$525,000 exclusive of the guns, each of which could be fired once in eight minutes. But as recently reported by the Secretary of War we can now have two 12-inch guns mounted on disappearing carriages—as at Sandy Hook, for example—which cost only about \$150,000 for the carriages, emplacements, and protection of both guns, and each of those guns can be fired ten times in eight minutes, or ten times faster now than a few years ago, and this, too, at a reduced total cost of \$375,000.

While it must be accepted that this feature of the Nation's defense always has been and always will be necessarily an expensive one—and also a necessarily unavoidable one which no political party will ever be able, on account of its pretensions to reform or economy, to ignore or neglect.

From a recent special report of the newly appointed General Staff of the Army, the below indicated interesting figures are taken to illustrate the magnitude of this part of the work of military defense, which in time of peace—the only fitting and safe time for its accomplishment—cannot be too long delayed. This consolidated statement shows the expenditures for fortifications, armament, electrical appliances, and quartermaster's construction and supplies up to September, 1903, to have been \$89,599,621.58. And further, according to the official estimates of the same military authority of the cost of completing the defense project of the so-called Endicott Board, as modified from time



to time, it will yet cost for continued and additional similar work in the projected scheme of National defense \$50,852,694.98: so that when this projected scheme of coast defense is completed the aggregate cost of defending our coast and ocean harbors and seaport cities will have reached \$140,452,316.56. In addition to this must be considered the annual cost of maintenance of coast defense fortifications, including garrisoning, and annual supplies, estimated at \$18,083,145.85.

The present administration of the War Department under the direction of the President, realizing fully the value and vital importance of this coast defensive work, has boldly met the National obligations involved and does not shrink from the groundless criticisms which the uninformed partisan is pleased to make on the score of alleged increased militarism every time military expenditures are recommended. It is true that cursory reading of the statistical statements of National expenditures each year, briefly classified under the laconic heading of "War," aggregating, as they do, for the past eight years nearly nine hundred millions of dollars, are, it must be admitted, likely to mislead the average layman who construes the appropriations for purely army purposes only. But an examination of the nature of those so-called expenditures for war will show that much of them is expended in time of peace, and will show, also, that those so-called "war" expenditures not only include the comparatively small cost of maintaining the minimum Regular Army, but the various unavoidable expenditures which no political party could even if they wished, well avoid, as, for example, the millions of dollars expended annually for internal improvements, lake improvements, preservation of public parks, road and bridge building, as well as for the manufacture of ordnance and arms and the munitions of war, a reasonable amount of which it is always wise and safe to accumulate in times of peace.

Due attention has been given to the matter of coast defenses in the insular possessions. Projects for the defense of San Juan, Porto Rico, Pearl Harbor and Honolulu Harbor, Hawaii, San Luis d'Apra, Guam, Manila Bay, and Subig Bay in the Philippines, have been made and approved. The subject of fortifications of naval stations in the West Indies has also been urged upon Congress.

#### **The Corps of Engineers, U. S. Army.**

On June 30, 1896, the fortifications of the sea coasts of the United States were so incomplete as to make it a matter of national necessity to exclude from them, as far as possible, any one who might communicate the information to foreign powers that our shores were to all intents and purposes without defense.

At each harbor there were remains of the old stone forts—the best of their kind in the world in their day and utterly impregnable by wooden sailing fleets—supplemented by the earthen batteries for smooth-bore guns of the period immediately succeeding the Civil War. At a few harbors, interspersed among these decaying remains of former systems of defense, rendered obsolete by the wonderful advance in rifled guns, smokeless powder, and hard-faced steel armor, were one or two modern batteries of the earlier type, experimental attempts to develop a system to meet the new demands of defense against the modern high-power naval guns behind their panoply of steel hard-facel and backed up by the rigid structure of the new type battleship, at once fleet and powerful.

In the last eight years these batteries have grown from few in number and experimental in type to the numerous and complete defenses of to-day; at nearly every harbor a good defense is now possible. From having ready 92 emplacements for heavy guns and mortars, 75 of which were mounted, and two emplacements for 2.24-inch rapid fire guns, in 1896, we now have ready for the hands of well-trained and effective artillery garrisons emplacements for 652 heavy guns and mortars, 611 of which are mounted, and for 367 rapid fire guns of 6-inch and lighter calibers, 185 of which are mounted.

For some two years prior to the war with Spain the submarine mine system was under revision by a special Board of Engineer Officers, whose work had been practically completed,



but neither time nor funds had been available for replacing the old-style material with the new. In March, 1898, when the outbreak of war appeared imminent, there were about 3,500 mine cases stored at a number of the principal harbors of the country, out of a total of about 8,000 required for the complete approved projects, but practically no cable, none of the various articles essential to an efficient working of a system of mines, and no searchlights. March 17, 1898, funds were allotted for the torpedo defenses from the appropriation for National defense, and were applied at once, under telegraphic orders, to the purchase and distribution of the most necessary articles of torpedo material. An April 21 the order to plant mines was given, and by the close of that month practically nearly every harbor of importance was defended by at least a preliminary line of mines. These submarine mines, which had been planted in 28 harbors, were maintained until the signing of the peace protocol with Spain, when they were removed, partly by explosion and partly by raising and unloading, and all material recovered was cleaned and stored for future use.

Subsequent appropriations have been applied to the equipment of all harbors with a full complement of the material essential to rendering available for service all the mines and cable already on hand, to alterations and improvements in the old-type casemates, and to the construction of new casemates, cable tanks, and storehouses.

With few exceptions all harbors are now equipped with torpedo storehouses, cable tanks, and sevicable mining casemates, though many of the latter are not of the latest type.

During the last eight years the authorized strength of the Corps of Engineers has been increased from 107 to 188 officers and from one battalion of five companies to three battalions of four companies each. The engineer soldier has been educated up to new duties. To accompany the advance in the Philippine campaigns a portion of the engineers were mounted, and this now forms part of their regular organization.

Everyone knows that the average American consumer pays more than the average British consumer. Yet the British consumer, in spite of that advantage, is by no means so well off as the American consumer.—The London Daily Telegraph.

Let nothing distract us; let no discordant voice intrude to embarrass us in the solution of the mighty problems which involve such vast consequences to ourselves and posterity. Let us remember that God bestows supreme opportunity upon no nation which is not ready to respond to the call of supreme duty.—President McKinley at St. Louis, Oct. 14, 1898.

This is not and never shall be a government of a plutocracy; it is not and never shall be a government by a mob. It is, as it has been and as it will be, a government in which every honest man, every decent man, be he employer or employed, wage-worker, mechanic, banker, lawyer, farmer, be he who he may, if he acts squarely and fairly, if he does his duty by his neighbor and the State, receives the full protection of the law and is given amplest chance to exercise the ability that there is within him, alone or in combination with his fellows, as he desires.—President Roosevelt at Butte, Mont., May 27, 1903.

We are not a nation of classes, but of sturdy, free, independent and honorable people, despising the demagogue and never capitulating to dishonor.—McKinley's letter of acceptance, 1896.

I have seen it to be an actual fact, abundantly sustained by evidence, that under the system of protection every hour of honest toil purchases more of material comfort for the toiler than is attainable under any other system, the degree of such advantage being contingent upon the completeness and accuracy of the application of the protective system. This advantage comes directly or indirectly to all classes of toilers, be they weavers, spinners, carpenters, painters, machinists, farmers, doctors, editors, or teachers.—Hon. H. B. Metcalf, Pawtucket, R. I., in the American Economist.

## THE WORK OF THE DEPARTMENT OF JUSTICE.

The Department of Justice is that branch of the Government upon which is imposed the duty of enforcing, by civil and criminal proceedings, the laws of the United States, and all rights of the Government under them. Prompt and efficient enforcement of law is of the utmost importance to the Government. This has been the policy of the Department during the administrations of President McKinley and President Roosevelt, as shown by the results it has accomplished. During these administrations an unusual number of highly important cases, involving grave constitutional questions, have arisen and have been decided in favor of the Government. The more important of these may be summarized as follows:

### The Insular Tariff Cases.

These cases grew out of the cession to the United States by Spain, as a result of war, of the Island of Porto Rico and the Philippines; and as a result of the annexation, by resolution, of the Republic of Hawaii.

The one great question involved in these cases was whether Congress might impose duties upon goods coming into the United States from its island possessions, and upon goods going into its island possessions from the United States.

In the *Downes Case* (decided in May, 1901; 182 U. S., 244) the court upheld the power of Congress to impose duties on goods coming into the United States from Porto Rico, as provided in the Foraker act, for the reason that by the cession Porto Rico did not become a part of the United States within that provision of the Constitution which declares that "all duties, imposts, and excises shall be uniform throughout the United States;" and that therefore Congress, under the power conferred to govern territory belonging to the United States, had a right to provide for Porto Rico a system of customs and internal taxation appropriate to its needs and distinct from that in force in the United States.

In the *Second Dooley Case* (decided in December, 1901; 183 U. S., 151), there was involved the question of the right to collect duties imposed by the Foraker act upon goods brought into Porto Rico from the United States. In addition to the objection urged in the *Downes Case* that Congress could not impose such duties because they were not uniform throughout the United States, the further objection was made that the imposition of such a duty was a tax or duty upon "articles exported from any State," which was forbidden by the Constitution. The courts held, however, that only those articles destined for a foreign country constituted "articles exported from any State;" that Porto Rico was not "a foreign country," but, under the decision in the *DeLima Case*, was territory appurtenant and belonging to the United States, and that Congress had the power to impose such a tax.

The other insular tariff cases involved the right to collect duties passing between the United States and its island possessions after their cession to the United States, but prior to appropriate legislation by Congress, the court denying such a right. These cases were the *DeLima*, the *First Dooley*, the *Armstrong*, the *Diamond Rings*, the *Goetze*, and the *Crossman* cases (182-183 U. S.), the court holding that these islands were not "foreign countries" within the meaning of the Dingley law and that goods coming therefrom were not subject to duty under the Dingley law.

In the *First Dooley Case* (decided in May, 1901; 182 U. S., 222) the court upheld the power of the Military Commander and the President, as Commander in Chief, under the war power, to collect duties on goods brought into Porto Rico from the United States from the time possession was taken of that island until the ratification of the treaty of peace.



**The Federal Inheritance Tax Cases.**

In the case of *Knowlton v. Moore* (decided in May, 1900; 178 U. S., 41) and the other cases heard with it, there was involved the validity of sections 29 and 30 of the War Revenue act of June 13, 1898 (30 Stat., 464), which imposed an excise tax upon legacies and distributive shares arising from personal property. There was a double gradation of the tax, the tax in the first instance being determined by the degree of kinship, lineal descendants being subjected to one rate of tax, those of collateral kinship paying a higher rate, and those not related a still higher rate. The second gradation depended upon the amount of the legacy, a small legacy paying a lower rate than a larger one—the tax varying from  $\frac{3}{4}$  of 1 per cent to 15 per cent of the amount of the legacy.

The law was attacked upon three grounds: (1) That it was a direct tax and not apportioned as required by Article I, section 9, clause 4 of the Constitution; (2) if not a tax on property, but a tax upon the privilege of transmitting or receiving property, it was invalid because the privilege of inheritance is conferred by the States; and (3) it violated the uniformity clause of the Constitution. Article I, section 8, clause 1.)

The court overruled all these objections, holding the tax to be indirect; that Congress might impose the tax even though the privilege be granted and regulated by the States; and that it did not violate the rule of uniformity which was held to be merely geographic in its nature, the same rate of tax being imposed upon all legacies of the same class wherever found.

While Congress has since repealed the inheritance tax law, nevertheless the decisions are of great importance as establishing the principle that Congress, in seeking objects for taxation, may tax valuable privileges, however obtained, and in adjusting the burdens of government may apportion the tax according to the ability of the person on whom it is placed to bear the same.

**Land Fraud and Timber Trespass Cases.**

A very important class of litigation at the present time is that aimed to prevent and to punish frauds in the unlawful securing of public lands from the Government and the unlawful cutting of timber thereon.

Under the land laws a person may not enter more than 160 acres of land. Because of this fact, and with a view to securing large tracts for grazing purposes and for the timber growing thereon, which, in many instances, is of far more value than the land, large corporations and companies have undertaken to secure the lands by employing and inducing large numbers of irresponsible persons to enter the land and in so doing to make false affidavits in order to obtain patents, and upon obtaining patents to convey the lands to the corporations or other persons who have furnished the necessary money with which to pay all fees and costs, besides a compensation to the persons employed to commit the frauds and perjuries. In this manner large tracts of valuable public lands have been secured. So glaring did these frauds become that determined measures were adopted by the Department of Justice and the Department of the Interior to put a stop to them and to punish the offenders.

To this end special counsel, skilled in the land and timber laws, have been employed to prosecute such parties and to institute proceedings to cancel the patents wrongfully acquired. A large number of patents so acquired have already been canceled by the court, and suits are pending and are being pushed as speedy a conclusion as possible to cancel patents to large tracts of lands. In addition a large number of indictments have been returned against the parties to the frauds. Some of the parties indicted have pleaded guilty and have been severely punished. The pending indictments will be tried as soon as a trial can be forced upon the criminals. These vigorous measures have had the effect of greatly checking the frauds practiced upon the Government in this respect in the past.

Another class of this litigation refers to the proceedings to recover the value of timber unlawfully cut from the public lands and to punish the offenders for their illegal acts. The timber



lands of the Government being in remote places it has been somewhat easy for the lumber and mining companies to steal and to cut up into lumber large quantities of timber taken from Government lands. This has been due in part to a lack of a sufficient number of agents to properly patrol the forests, and to a reluctance on the part of those having knowledge of the trespasses to furnish evidence to convict the guilty parties.

Under the administrations of President McKinley and of President Roosevelt vigorous measures have been adopted to put a stop to these unlawful practices. The Department of Justice, acting with the hearty cooperation of the Department of the Interior, has employed special attorneys skilled in the knowledge of the timber and land laws, specially charged with the work of bringing suits to recover the value of the timber stolen and of instituting prosecutions to criminally punish the offenders. This has had the effect of largely checking these trespasses. Many suits have been brought and large sums of money have been recovered. Other suits are pending and are being brought and are being pushed to as speedy a conclusion as is possible. In Montana alone suits are pending against great companies in that State to recover nearly \$2,000,000, the value of the timber taken (unlawfully cut) from the public lands. Besides, a large number of persons have been indicted for willful trespass; some have been found guilty and punished and the trial of the other indictments will be had at as early a date as is possible.

Another branch of this litigation refers to the suits brought against a number of the Pacific railroads for cutting timber for use on their railroads. Under the act of March 3, 1875 (18 Stat., 482), Congress granted to any railroad desiring it a right of way through the public lands; and authorized the companies to take from the public lands *adjacent* to their right of way material, earth, stone, and timber necessary for the construction of the road.

Acting under this statute, the railroads have construed the word "adjacent" to mean any distance they may see fit to go for the timber, and have cut timber as far as from 25 to 50 miles distant from the line of their road. A number of suits have been brought against the railroads for timber taken more than two miles distant from their line of roads, and judgments have been recovered against them. And the Supreme Court has practically adopted this construction in the case of *United States v. St. Anthony Railroad Co.* (192 U. S., 524), decided in February, 1904; so that, hereafter, when a railroad goes beyond a two-mile limit in cutting timber from the public lands, in order to escape from being held a willful trespasser, it must show some special reason why the two-mile limit should not be held to apply. This decision will practically put a stop to these trespasses by the railroad companies.

#### The Lottery Law.

Another direction in which the efficient work of the Department of Justice is shown is in the enforcement of the Lottery Law of March 2, 1895 (28 Stat., 963), the validity of which was sustained by the Supreme Court in February, 1903, in the case of *Champion v. Ames, Marshal* (188 U. S., 321). That act provides for the punishing by imprisonment for not exceeding two years, or by a fine of not more than \$1,000, or both, of "any person who shall cause to be brought within the United States from abroad, for the purpose of disposing of the same, or deposited in or carried by the mails of the United States, or carried from one State to another in the United States, any paper, certificate, or instrument purporting to be or represent a ticket, chance, share, or interest in or dependent upon the event of a lottery, so-called gift concert, or similar enterprise, offering prizes dependent upon lot or chance;" or shall cause to be brought into, deposited or carried in the mail, or transferred from one State to another, any advertisement of a lottery or other similar scheme or enterprise. The court held:

"Lottery tickets are subjects of tariff among those who choose to buy and sell them and their carriage by independent carriers from one state to another is therefore interstate commerce which Congress may prohibit under its power to regulate commerce among the several states.

"Legislation under that power may sometimes and properly assume the form, or have the effect, of prohibition.

"Legislation prohibiting the carriage of such tickets is not inconsistent with any limitation or restriction imposed upon the exercise of the powers granted to Congress."

The effect of this decision has been to render it next to impossible to traffic in lottery tickets.

#### **The Oleomargarine Cases.**

These suits, four in number, grew out of the attempt on the part of the manufacturers of oleomargarine to evade and defeat the provisions of the act of May 9, 1902 (32 Stat., 193), amending the original oleomargarine act of August 2, 1886 (24 Stat., 209), imposing a tax of ten cents per pound upon oleomargarine artificially colored in imitation of yellow butter. This legislation resulted from the great profits realized by the manufacturers and dealers in oleomargarine in fraudulently selling colored oleomargarine as and for butter, and is in harmony with the policy of Congress in imposing taxes upon those subjects best able to bear them.

The manufacturers resisted the payment of the tax of ten cents per pound upon the colored article upon the ground that the tax was confiscatory; that it was an attempted regulation and not a tax; and sought to evade and defeat the law in every possible way.

In the three cases which have been decided (on May 31, 1904) the Supreme Court held:

That the tax is an excise, which Congress had the power to impose;

That the only limitation upon the power of Congress to impose excises is that they shall be uniform throughout the United States; that this tax is uniform;

That it is for Congress to fix the rate of tax, and that it is not within the power of the court to inquire into the reasonableness of the excise, either as respects the amount, or the property upon which it is imposed;

That, if Congress abuses its taxing power, the remedy lies with the people who elect the Congress, and not with the courts.

The court having heretofore held that the States may, in the exercise of their police power, absolutely prohibit the manufacture and sale of oleomargarine colored to look like butter, because of the aptitude of that article to deceive the public into buying it as butter, it results that even if the effect of the tax of 10 cents per pound be to repress the manufacture of the artificially colored article, such repression violates no fundamental right, for the manufacture of artificially colored oleomargarine may be prohibited by a free government without a violation of fundamental rights; and

That the use of artificially colored butter in the manufacture of oleomargarine, although an authorized ingredient, constitutes an artificial coloration, and subjects the oleomargarine to the tax of ten cents per pound.

But the foregoing classes of cases do not embrace all that have been begun and successfully prosecuted by the Department. Also deserving of special mention are the suits arising out of the collection of the customs and the internal revenue, and the prosecutions for a violation of the laws relating thereto; of the suits brought for the purpose of enforcing the provisions of the interstate commerce law; of the proceedings instituted and defended in the enforcement of the Chinese exclusion and the immigration laws; of the suits brought to forfeit and to restore to the public domain land grants in aid of the construction of railroads, the conditions of the grant not having been complied with; of the proceedings to forfeit and condemn as prize Spanish vessels captured in the war with Spain; and of the proceedings and prosecutions to enforce the law imposing taxes upon oleomargarine and other fraudulent imitations of dairy and food products.

#### **Trusts—Enforcement of the Sherman Anti-Trust Law.**

The work of the Department in the enforcement of the Sherman Anti-trust law, which may be considered its most important work in recent years, is fully discussed in the chapter relating to trusts.

## WORK OF THE POST-OFFICE DEPARTMENT.

### Rural Free Delivery—Correction of Abuses in Second-Class Mail Privilege—The Investigations Instituted by Republican Officials and Their Results.

The business of the Post-Office Department is a reliable index to the general condition of the country and the postal receipts for the last ten years show conclusively that our people have been prosperous and our business more active since the return of the Republican party to power than ever before in the history of the country. The following table gives the figures of receipts for the years indicated:

1893 . . . . .	\$75,896,933.16
1894 . . . . .	75,080,479.04
1895 . . . . .	76,983,128.19
1896 . . . . .	82,499,208.40
1897 . . . . .	82,665,462.73
1898 . . . . .	89,012,618.55
1899 . . . . .	95,021,384.17
1900 . . . . .	102,354,579.29
1901 . . . . .	111,631,193.39
1902 . . . . .	121,848,047.26
1903 . . . . .	134,224,443.24
1904 (estimated) . . . . .	144,100,000.00

The increase of nearly \$70,000,000.00 in ten years shows a truly marvelous development.

#### Rural Free Delivery.

The responsibility for the introduction of rural free delivery belongs to the administration of President McKinley and its increase and continuance to the administration of President Roosevelt. The introduction of this service has proceeded with marvelous rapidity. At the beginning of the fiscal year 1899 there were less than 200 routes in operation. At the close of the present fiscal year the number in actual operation will be in excess of 25,000, bringing a daily mail service to more than 12,500,000 of our people residing in the rural districts.

At the present time complete service is established in one hundred and forty-two counties, in which all the people outside of the cities receive their mail daily by rural free delivery carriers.

The policy of rural free delivery is no longer a subject of serious dispute. It has unmistakably vindicated itself by its fruits. The practical benefits and the popular appreciation and demand have been decisively demonstrated. It has been made plain that this service is a potent educational force; that it brings agricultural life into far closer relations with the active business world; that it keeps the farmers in daily touch with markets and prices; that it advances general intelligence through the increased circulation of legitimate journals and periodicals, stimulates correspondence, quickens all interchanges, promotes good roads, enhances farm values, makes farm life less isolated and more attractive, and unites with other wholesome influences in checking and changing the hitherto prevailing current from country to city. The national value of these advantages is incalculable. They are not theoretical, but real, direct, and immediate. In diffusing them the beneficent agency of the Government is brought into the daily presence and thought of the people.

The appropriation made by the present Congress for the continuation of the service and its extension into districts where its introduction is justifiable was \$20,816,600.00.

The Post-Office Department has also endeavored to extend the benefits of the rural free delivery service to remote districts



where the number of people is not sufficient to justify the establishment of rural free delivery, and to this end has arranged for the delivery of mail into boxes along the lines of 20,000 star routes, aggregating 249,000 miles in length, and over 500,000 people are having their mail delivered to them by the star route carriers in this way, and reports indicate that the service is generally satisfactory to those who are served.

### **The Investigations and Their Results.**

During the year 1903 an investigation of the Post-Office Department was ordered by President Roosevelt. The investigation, by the Postmaster-General, was conducted under the immediate supervision of the Fourth Assistant Postmaster-General, who had about fifty inspectors detailed exclusively to aid in the investigation covering a period of eight months. The inception of this investigation is clearly set forth in the following extract taken from the memorandum of the President made after an examination of the report of the Fourth Assistant Postmaster-General:

"It appears that in December, 1902, Postmaster-General Payne and Congressman E. F. Loud, chairman of the Committee on the Post-Office and Post-Roads, held various consultations regarding the postal service, and as a result of these interviews it was determined that as soon as possible after the necessary appropriations could be made by the Congress an investigation should be made of the service, both Messrs. Payne and Loud agreeing as to the need for the investigation and the time when it should take place. Accordingly, an increase of \$5,000 in the appropriation bill reported in January was made for the express purpose of carrying on the investigation in question. The reasons for the increase in the appropriation were known only to the Postmaster-General, to Congressman Loud, and to Congressman Bromwell.

"Subsequently, some time in January, information was laid before me by Mr. Seckendorff tending to show improper conduct by Beavers, general superintendent of the division of salaries and allowances, and Machen, general superintendent of the free delivery system; and by Mr. William Allen White tending to show corruption by or under Tyner, Assistant Attorney-General for the Post-Office Department. First Assistant Postmaster-General Wynne also informed me that he had become suspicious of the integrity of both Machen and Beavers. After full consultation with Mr. Payne it was decided that Fourth Assistant Postmaster-General Bristow should make a thorough and exhaustive investigation of the charges in question and of all matters that might be developed in connection with them. Mr. Bristow's report is a record as thorough a bit of investigating work as has ever been done under the Government. After this investigation had been in progress for about two months it became evident that legal proceedings would have to be undertaken against some of the offenders. Owing to the importance of the case it was deemed advisable that special counsel should be employed, and Messrs. Charles J. Bonaparte and Holmes Conrad were chosen for this purpose. Messrs. Bonaparte and Conrad, in their review of the report of Mr. Bristow, speak as follows: "We consider the report an exceptionally able, candid, and impartial review of its subject-matter and that it shows clearly reprehensible misconduct, amounting in many cases to crime, on the part of a number of public officials. It is a voluminous document, but this arises, not from prolixity, but from the nature of the matters discussed.

\* \* We heartily commend the report and deem its conclusions fully justified by the facts it sets forth; and while regretting in common with all patriotic citizens that the grave abuses so long standing which it reveals should have grown up in the Post-Office Department, we consider the exposure of these abuses and the attempts made to punish those responsible for them a work of the highest public utility, quickly and ably performed." All that is thus said of the report of Mr. Bristow I cordially agree.

"The investigation made by Mr. Bristow discloses a condition of gross corruption in the office of the First Assistant Postmaster-General and in that of the Assistant Attorney-General for the Post-Office Department. In the case of the superintendent of free delivery, Machen, the evidence shows that his misconduct began

immediately after his appointment in September, 1893. In the case of the general superintendent of salaries and allowances, Beavers, it began soon after he was appointed to that place in 1897.

"In the review of the report of the Fourth Assistant Postmaster-General made by Messrs. Conrad and Bonaparte, they recommended that a law be passed extending the statute of limitations from three to five years for offenses of this character. In commenting upon this recommendation the President said:

"I heartily approve of the recommendation of Messrs. Conrad and Bonaparte that the statute of limitations be extended in the case of Government servants to a period of at least five years; for the persons who in such positions of trust engage in corrupt practices can ordinarily conceal their guilt for a longer time than is covered by the present short statute of limitations. This recommendation has been laid before the Congress in the report of the Attorney-General, and it is earnestly hoped that it will be acted upon favorably. Moreover, our experience shows that outsiders claiming political influence sometimes sell their influence to candidates for office, or in other words blackmail these candidates. There should be legislation which will permit of summary dealing with such offenders.

"However, the prime need is not new legislation but the punishment of those who offend against existing laws. The Post-Office Department is making certain changes in the methods of administration, notably in the method of inspection, by which the service will be improved and the chance of corruption existing without discovery be minimized; but the only way to meet the real evil is to punish the offenders, by removal in any event, and where possible by prosecution under the criminal statutes. In any great business, public or private, wrongdoing is certain at times to occur. The way to guard against it is rigorously to scrutinize the character of those appointed, carefully to supervise their actions after appointment, and finally, to punish with relentless severity those who go wrong. All this is being done.

"The immediate reformation of the service by the turning out of the offenders is not in itself enough to meet the demands of justice. The cases against both those within and those without the Post-Office Department, who by their acts have brought themselves within the grasp of the law, will be pushed with the utmost vigor. Every effort must be made to see that both the delinquent official and the outsider who shares his guilt are punished to the limit of the law. In pursuance of this policy the individuals above enumerated have been indicted. In no case has the indictment been sought save where the officials of the Government were convinced of the man's guilt; and in every case the Government will exhaust every expedient in its power in the effort to see that justice is meted out to the offenders. Those in the public service whose duty it is must ever be vigilant in the detection of wrongdoing, fearless in its exposure, relentless in its prosecution; but in the last resort, when everything which the public official, whether legislator, judge, or executive officer, can do has been done, remains for the jury, drawn from the people and representing the people, to do even-handed justice, shielding the innocent, but declining to be misled by any plea into refraining from punishment of the guilty."

As the result of this investigation thirty-one people were indicted; thirteen were removed from office, and four resigned.

Of those indicted, twelve have already been tried and seven convicted. Those convicted are as follows:

A. W. MACHEN, Clerk in the post-office at Toledo, Ohio, from 1887 to 1887, and assistant postmaster in that office from 1887 to July 31, 1890; appointed assistant superintendent free delivery in the Department May 6, 1893.

C. ELLSWORTH UPTON, Clerk in the Free Delivery Division, appointed July 1, 1900.

DILLER B. GROFF, not in the Postal Service.

EDMUND H. DRIGGS, member of Congress from Brooklyn, N. Y. from 1897 to 1900.



THOMAS W. MCGREGOR, Clerk in Free Delivery Division, appointed March 11, 1891.

GEORGE E. LORENZ, Postmaster Toledo, Ohio, from 1886 to 1890. Not in the service at time of conviction.

SAMUEL A. GROFF, not in the Postal Service.

In closing his memorandum the President said:

No crime calls for sterner reprobation than the crime of the corruptionist in public life, and of the man who seeks to corrupt him. The bribe giver and the bribe taker are equally guilty. Both alike sin against the primary law of the State's safety. All questions of difference in party policy sink into insignificance when the people of this country are brought face to face with a question like this, which lies at the root of honest and decent government. On this question, and on all others like it, we can afford to have no division among good citizens. In the last resort good laws and good administration alike must rest upon the broad basis of sound public opinion. A dull public conscience, an easy-going acquiescence in corruption, infallibly means debasement in public life, and such debasement in the end means the ruin of free institutions. Self-government becomes a farce if the representatives of the people corrupt others or are themselves corrupted. Freedom is not a gift which will tarry long in the hands of the dishonest or of those so foolish or so incompetent as to tolerate dishonesty in their public servants. Under our system all power comes from the people, and all punishment rests ultimately with the people. The toleration of the wrong, not the exposure of the wrong, is the real offense.

#### **Correction of the Abuse of the Second-Class Mail Privilege.**

The rate of postage for the second class of mail matter is one cent per pound, which is estimated to be about one-fifth of the cost to the Government of handling the same. Congress in granting this favored rate of postage, it is presumed, did not intend to open the door for all kinds of publications, but intended that only legitimate newspapers and periodicals should have the benefit thereof. In the administration of the postal service abuses of this privilege have grown up, so that it was estimated that nearly one-half of the mail matter sent at the second class rate was composed of mere shams or pretensions which had no right under the law to those privileges, or were books and libraries, which were clearly not intended to come within this class.

The Department undertook to reform these abuses which had so insidiously grown up. At once legal steps were taken to prevent the Department from carrying out the reform. Several cases have been tried in the United States courts and finally some of these cases have reached the Supreme Court of the United States, which tribunal, in a decision rendered April 11, 1904, determined that the action of the Department in the cases pending before the court was proper and within the law. There are several other cases pending in the United States courts, but, as the decisions referred to cover the general principles involved, it is believed that the right of the Postmaster-General to decide what publications are, and what are not, entitled to be classified as second-class matter is fully established.

This reform is very important, in that it will result in the exclusion from the mails of many worthless publications and confine the privilege of second-class mail matter to legitimate newspapers and periodicals, and in the end result in the saving of a very large amount of money to the Government.

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**England learns from experience—Democracy does not.—Hon. Charles Dick, in Congress, Jan. 5, 1904.**

During the seven years that have just passed there is no duty, domestic or foreign, which we have shirked; no necessary task which we have feared to undertake, or which we have not performed with reasonable efficiency. We have never pleaded impotence. We have never sought refuge in criticism and complaint instead of action. We face the future with our past and our present as guarantors of our promises; and we are content to stand or to fall by the record which we have made and are making.—President Roosevelt's speech accepting 1904 nomination.



*Postal statistics of the United States from 1790 to 1899.*  
[From official records of the Post-Office Department.]

Year.	Number of post-offices.	Extent of post routes in miles.	Miles of mail service performed.	Gross revenue of Department.	Gross expenditure of Department.	Ordinary postage stamps issued.	Letters, etc., registered.	Amount of domestic money orders issued.	Amount of international money orders issued.	Number of pieces of matter of all kinds mailed.
1790.....	75	1,875	.....	\$37,935	\$32,140	.....	.....	.....	.....	500,000
1800.....	903	20,817	.....	280,804	213,994	.....	.....	.....	.....	.....
1810.....	2,300	36,406	.....	552,366	495,969	.....	.....	.....	.....	.....
1820.....	4,500	72,492	5,000,000	1,111,927	1,110,926	.....	.....	.....	.....	.....
1830.....	8,450	115,176	.....	1,850,583	1,932,708	.....	.....	.....	.....	.....
1840.....	13,468	155,739	36,370,776	4,543,522	4,718,236	.....	.....	.....	.....	.....
1850.....	18,417	178,672	46,541,423	5,552,971	5,212,953	.....	.....	.....	.....	.....
1860.....	28,498	240,594	74,724,776	8,518,067	19,170,610	216,370,660	500,774	.....	.....	114,173,480
1865.....	20,550	142,340	57,993,494	14,556,159	13,694,728	367,419,455	282,533	\$1,360,122	.....	.....
1870.....	28,492	231,252	97,024,996	19,772,221	23,998,837	468,118,445	.....	34,054,184	822,189	.....
1875.....	35,547	277,873	133,822,216	26,791,360	33,611,309	684,551,685	.....	77,431,251	1,964,574	.....
1880.....	42,989	343,898	178,236,996	33,315,479	36,542,804	875,681,970	6,936,513	100,352,818	3,463,862	.....
1885.....	51,252	365,251	238,478,773	42,560,844	50,046,235	1,465,122,935	11,046,256	117,858,921	6,840,358	.....
1886.....	53,614	368,660	252,044,705	43,948,423	51,004,744	1,620,784,100	11,648,227	113,819,521	7,178,786	.....
1887.....	55,157	373,142	257,061,453	48,837,609	53,006,194	1,746,985,520	12,524,421	117,462,000	9,035,530	.....
1888.....	57,376	403,976	287,251,045	52,695,176	55,795,357	1,867,173,110	13,677,169	119,849,461	11,293,870	3,474,000,000
1889.....	58,999	416,159	310,901,884	56,175,611	62,317,119	1,961,980,840	14,061,806	115,081,845	12,280,516	3,576,100,000
1890.....	62,401	427,990	327,409,493	60,882,098	66,259,548	2,219,737,060	14,947,081	114,362,757	13,230,135	3,860,200,000
1891.....	64,329	439,027	346,266,445	65,931,796	73,059,519	2,397,503,340	15,047,602	119,122,236	14,443,667	4,369,900,352
1892.....	67,119	447,591	363,087,695	70,930,475	76,980,846	2,543,270,210	15,260,094	120,066,801	15,120,271	4,776,575,076
1893.....	68,403	453,833	381,499,086	75,896,933	81,074,105	2,750,293,090	15,561,410	127,576,434	16,341,838	5,021,841,056
1894.....	69,805	454,746	396,809,866	75,080,479	84,324,414	2,602,278,355	15,050,354	138,793,579	13,792,455	4,919,090,000
1895.....	70,064	456,026	402,606,059	76,983,128	86,790,173	2,797,124,808	14,425,081	156,709,080	12,906,486	5,134,281,200
1896.....	70,360	463,313	409,388,424	82,469,208	90,626,296	3,025,481,467	15,106,336	172,100,649	13,852,615	5,693,719,192
1897.....	71,022	470,032	420,850,479	82,665,462	94,077,242	3,063,633,885	14,559,083	174,482,676	13,588,379	5,781,002,143
1898.....	72,000	480,461	434,332,691	89,012,618	98,033,523	3,451,698,440	15,600,320	191,354,121	13,239,769	6,214,447,000
1899.....	75,060	469,948	445,744,845	101,632,160	107,740,267	3,430,021,880	16,080,022	211,213,592	13,744,770	6,576,310,000
1900.....	76,688	450,205,773	450,205,773	102,354,579	107,740,267	3,998,544,564	18,422,649	238,921,010	16,749,018	7,129,990,202
1901.....	76,945	511,808	466,140,659	111,631,193	115,039,607	4,223,273,696	20,814,501	274,546,067	20,072,614	7,424,390,329
1902.....	75,924	507,540	474,224,087	121,848,047	124,392,472	4,623,957,473	22,831,400	313,551,287	22,974,473	8,085,446,858
1903.....	74,169	506,268	493,192,359	134,234,443	138,784,487	5,280,730,065	25,951,178	353,637,648	35,237,935	8,887,467,048

## WORK OF THE NAVY DEPARTMENT.

Under the present administration, as under that of President McKinley, the Navy has shown itself worthy of its best traditions. The great victories at Manila Bay and Santiago which shed undying fame upon this arm of the national defense were in no sense accidents. They were the results of years of careful training of officers and men and the thorough preparation of the fleets for the crucial test of war. For this preparation, this readiness to meet the supreme moment for which a navy is constructed and maintained, those who administer the affairs of the Navy should have credit. The glory goes to our heroes who are in command afloat and to those officers and men who seize the opportunities of war to render conspicuous service; but in remembering them, let us not forget those who labor without ceasing to secure the fleet in condition of high efficiency and to place at the disposal of commanding officers an abundance of the supplies, without which the fleet is powerless.

As early as January 11, 1898, more than a month before the *Maine* was destroyed in the harbor of Habana, the Secretary of the Navy began to mobilize the ships of the Navy and to take such measures as would place at the disposal of the officers in command the full measure of our naval force.

Immediately upon the passage of the bill appropriating \$50,000,000 for the national defense, a board was organized for the purchase of auxiliary ships, and after careful examination 102 ships of various types were secured at a total cost of \$17,956,850. Of these vessels but two, the *New Orleans* and the *Albany*, were strictly vessels of war. The others were merchant ships, pleasure yachts, tugs, etc., which were rapidly overhauled at the different navy-yards, provided with such light armor protection as was practical, and suitably armed.

It is a fact worthy of preservation that this number of 102 ships selected and purchased under the direction of the then Assistant Secretary of the Navy, now President of the United States, contained but nine whose sale as unsuited to the needs of the permanent naval establishment was found necessary in the years following the war. Eighty-five of the ships then purchased are still on the navy list doing excellent service either with the regular Navy or as ships of practice and instruction with the naval brigades of the various States; one, the *Merrimac*, was sunk in the channel at Santiago, two were wrecked, and five were transferred to the War Department.

### Quick Preparations for War.

Between March 16 and June 30 all these vessels were purchased and as rapidly as overhauled were placed in commission and put into active service. They were used not only as auxiliary war vessels, but to supply the fleets with coal and ammunition and with fresh water and fresh provisions. For the care of the sick and wounded the *Solace* was fitted out as a complete hospital, and to make repairs to vessels at sea the *Vulcan* was fitted out as a modern machine shop. In order to meet the increased demands on the navy-yards it was necessary to practically double the force between February 15 and the middle of April.

In addition to the ships which were added to the Navy by purchase, fifteen revenue cutters and four light-house tenders were transferred from the Treasury Department to the Navy, and four of the great steamers of the International Navigation Company were chartered. There were in all 128 ships added to the regular naval establishment, and it became at once necessary to provide officers and men to man them. For this purpose 225 officers on the retired list were ordered to active duty, 856 officers were appointed for temporary service, and the enlisted force was increased from 12,500 to over 24,000 men.

It was an enormous undertaking to make all these additional ships ready for war service, to secure the necessary guns for them, and to keep the fleets supplied with coal, ammunition, and provisions. But this was only a part of the work which the Navy Department had in hand. For the protection of the coasts of the United States an auxiliary naval force was created, which was officered and manned by the naval militia of the United States. A coast signal service was established, which kept practically our entire coast line from Maine to Texas under observation, to give warning of the approach of an enemy's vessel or of suspicious craft of any kind.

The operations of the fleets of the Asiatic and North Atlantic squadrons are so well known that it is hardly necessary to speak of them in detail. Their work was so well done that the power of Spain was swept from the sea, and Cuba, Porto Rico, and the Philippines, which she had misgoverned for centuries, were taken from under her dominion.

#### **The Appeal from Peking.**

When in May, 1900, an appeal for help came from the legations at Peking, the Navy Department had made provision of ships, officers, and men, so that it not only had an adequate naval force at the nearest seaport town but was also able to send forward immediately a force of marines for the protection of the United States legation. This guard reached the Chinese capital in the latter part of May, only a short time before the representatives and citizens of foreign countries in that city were subjected to siege and cut off from the rest of the world. The annals of history present few examples of more dramatic interest than the story of the beleaguered legations in Peking from June 20, 1900, the date on which the German minister was killed and the siege began, until August 14, when the allied forces entered the Chinese capital. Official and unofficial reports, and particularly the dispatches of our minister, show that the American marines bore their full share in the burdens of defense during this memorable siege. The United States legation was situated just inside and near to the wall of the Tartar city. When the legations were assaulted the American detachment immediately occupied a position on the city wall, a strategic point of great importance, establishing an improvised sandbag fort there, which enabled them to defend the section of wall immediately commanding the legations, and, although repeatedly attacked by overwhelming numbers, and on two occasions driven for a few minutes from the wall, they were never permanently dislodged, but held this vital position until relief came.

Another detachment made up from the fleet of the United States at Taku, composed chiefly of seamen and under the command of Captain B. H. McCalla, U. S. N., joined the relief column under Admiral Seymour which started for Peking on June 10. Of the part borne in this hazardous expedition by the American sailors honorable mention is made in all reports. The British admiral said of them "Their post was usually in the advanced guard, where their zeal and go were praised by all." In the meantime the foreign settlement at Tientsin was attacked and communication between that city and Taku was interrupted. On June 19 a detachment of our marines arrived at Taku from Cavite and was ordered to the relief of Tientsin, but the little force of not over 500 men was confronted by overwhelming numbers on June 21 and driven back. On June 22 an allied force of 2,000 men was made up by reinforcements, and the foreign city of Tientsin was entered and the siege raised. On June 25 Admiral Seymour's force was relieved and on July 14 the walled city of Tientsin was carried. Conspicuous gallantry was displayed by the American marines in this action, in which one officer and four enlisted men were killed and four officers and fifteen enlisted men were wounded.

On the day of the capture of the Chinese stronghold at Tientsin the systematic attacks upon the beleaguered legations at Peking ceased; an informal truce was arranged at the instance of the tsungli yamen; communication between the besieged and the outside world was partially reopened; the legations were offered certain supplies by the Chinese authorities, and although



subjected to desultory attacks from time to time and to a fierce final assault on the night of August 13, were on the following day relieved by the entrance into Peking of the allied forces.

During the course of the insurrectionary troubles in the Philippines the Navy took an active and creditable part. Owing to the nature of the service unusual demands were made upon the commissioned and enlisted personnel, calling for the qualities of tact and discretion as well as for a high standard of efficiency and courage. The smaller vessels which were captured during the course of the Spanish war were organized into subordinate detachments and squadrons, and afforded effective support and aid to the army in suppressing the various outbreaks which preceded the establishment of civil government in the islands.

#### **Record at the Isthmus.**

The instant readiness of the Navy of the United States to perform any service or any duty was exemplified by the events on the Isthmus which began with the landing of troops on November 3, 1903, with intent to disturb the peaceful conditions which were guaranteed by the United States within the zone crossed by the isthmian railroad. On the morning of November 3 four hundred Colombian troops were landed at Colon; when refused transit over the isthmian railroad and on learning of the Panama revolution in the city of Panama, their commanding officer threatened to open fire on the city of Colon and kill every United States citizen. Commander John Hubbard of the U. S. S. *Nashville* immediately landed a force for the protection of the town, and, though outnumbered by the Colombian troops, by the firmness of his front and his determination to protect the town and the peace of the Isthmus at all hazards, secured the withdrawal of the threat and the abandonment of Colon by the Colombian troops, who returned to Cartagena on the following day.

The mobilization of an effective force to insure the continuation of peace on the Isthmus was rapidly carried out by the Navy Department. The preparation for the ordinary course of duty made by the constitution of a Caribbean squadron was found ample, with the addition of a small force of torpedo boats and special service vessels, not only for the purpose of maintaining peace, but for an extended series of observations and surveys along little known parts of the isthmian coast. The tact and effective diplomacy which universally marks the intercourse of the Navy of the United States with the people and representatives of foreign nations assisted materially in restoring confidence among the people of the Isthmus and in allaying misapprehensions as to the intention of the presence of the Caribbean squadron in those waters.

For the purpose of still further assuring the peace of the Isthmus, battalions of marines to the total number of 1,300 were dispatched to the Isthmus, the whole being under the command of the Brigadier-General Commandant. From the moment the order for the mobilization of the marines was given to that of the arrangement for stationing the marines on the Isthmus under the terms of the treaty of Panama, the progress of the movement was frictionless. Transportation from the United States with the necessary stores arrived at League Island coincidentally with the companies of marines ordered to the Isthmus and sailed for their destination on the moment appointed. On the Isthmus sanitary conditions were quickly established, and dispositions made so that the tour of duty was accomplished without the loss of a life from tropical conditions and with results in the maintenance of the general health of the battalions that has never been equalled in similar tropical service.

#### **Increase of Naval Strength.**

But the claims of the administration of the Navy to the approval of the people rest not alone on its war record. The upbuilding of the new Navy has gone steadily forward, and Congress has cooperated with the Department in the desire to materially increase our naval strength.

The platform of the Republican party adopted at St. Louis, July 17, 1896, said:

"The peace and security of the Republic and the maintenance of its rightful influence among the nations of the earth demand a naval power commensurate with its position and responsibility. We therefore favor the continued enlargement of the Navy."

It has been a source of pride to the citizens of the United States that the upbuilding of the Navy has not been a partisan undertaking. The new Navy, based upon the investigations undertaken by a Republican administration, had its inception in the authorization of four ships by a Congress in which the Republicans held the lower House by a small majority and in which the Senate was almost equally divided.

Since that Congress there have been five Congresses in which the Democratic party has held the majority of votes of the lower House, in which propositions for appropriations originate, and five (not counting the present Congress) in which the Republican party has had the preponderance of influence. With the additions to the Navy contemplated in the naval appropriation bill for 1904-5, the authorizations of ships for the increase of the Navy of the United States are shown in comparison by the following table:

Congress. DEMOCRATIC.	Armored ships.	Cruisers.	Torpedo boats.	Total.
Forty-eighth.....	.....	4	.....	4
Forty-ninth.....	8	6	1	15
Fiftieth.....	2	9	.....	11
Fifty-second.....	2	3	1	6
Fifty-third.....	2	6	6	14
Total.....	14	28	8	50
REPUBLICAN.				
Forty-seventh.....	.....	4	.....	4
Fifty-first.....	3	2	1	6
Fifty-fourth.....	3	.....	10	13
Fifty-fifth.....	13	8	31	52
Fifty-sixth.....	5	3	7	15
Fifty-seventh.....	9	4	.....	13
Fifty-eighth.....	3	3	.....	6
Total.....	36	24	49	109

Since the 4th of March, 1897, Congress has authorized the construction of 76 ships with a total displacement of 404,668 tons. This includes 15 battle ships of the first class, 8 armored cruisers of the first class, 4 monitors, 9 protected cruisers, 35 torpedo boats, surface and submarine; 3 gunboats, and 2 training ships. The naval appropriation bill for the fiscal year 1904-5 contains in addition the authorization of one battle ship, two armored cruisers, and three scout cruisers, of a total displacement of 56,250 tons, with two colliers, making a total authorization since the above date of 84 vessels with a total displacement of approximately 475,000 tons.

There have been completed under Republican administration since the 4th of March, 1896, 76 vessels of war with a total tonnage of 144,000 tons. This includes 8 battle ships, 4 monitors, 4 protected cruisers, 9 gunboats, and 51 torpedo boats and torpedo-boat destroyers.

A strong Navy not only adds to our prestige abroad, but makes the rights of our country respected wherever they may exist. The money expended does its part in lending a stimulus in many branches of trade and manufacture and in the employment of labor.

The industrial operations involved in building and maintaining the navy of the United States are so wide-spread that it is difficult to make a comprehensive estimate of the employment afforded. In operations conducted by the department itself, not less than an average of 22,000 men are employed, while in the private enterprises carrying out naval construction work, the estimate of 15,000 men is a conservative one. If the labor employed in producing the miscellaneous supplies and fittings of the Navy

is considered, together with the number included in the personnel of the Navy and Marine Corps, a total of over 100,000 men may safely be arrived at who are afforded steady and remunerative employment in maintaining this national safeguard, the cost of which, as shown by the last report of the Secretary of the Navy, is but seven-tenths of a mill on each dollar of national valuation.

#### **High Standard of Efficiency Attained.**

It is not too much to say that as the result of eight years of Republican administration, aided by the lessons which were taught by the period of active service of the Spanish war, the Navy of the United States is better equipped, better organized, in a higher state of efficiency than ever before in the history of the United States. In the administration of President McKinley and through its efforts legislation was effected reorganizing the personnel of the Navy and creating salutary changes, which have placed the organization on a much more satisfactory basis, increased the flow of promotion so that officers are brought to command rank at a much earlier age, and have eliminated conditions which were long a source of dissatisfaction. The increased provision of ships has made it possible to create fleet dispositions and exercise the vessels on the various stations in squadron formations to an extent that has not previously been possible. The excellent effect of the development of fleet work in the Navy is shown in the marked increase in the general efficiency of the Navy and by rapid progress in the matter of marksmanship with all classes of guns. In the successive target practices of the two years last past a general standard of marksmanship has been attained equaling that of any navy in the world, while the world's record for shooting with heavy guns has been more than once raised and again broken.

As a result of the responsibilities which grew out of the Spanish war, the need of naval stations outside of the continental limits of the United States became imperative. The long-neglected gateway to the southern coasts of the United States through the West Indian channels has been protected by the formation of a squadron to be permanently stationed in the Caribbean. In order to secure an effective base for the operations of this squadron, territory for a naval station was secured by treaty provisions with Cuba at Guantanamo and the proper development of this base has been undertaken. When the moderate provision proposed for a naval base at this point is completed, a means of defense at a distance from the shores of the United States will have been provided for the southern coasts, and an important factor in the defense of the entrance of the Isthmian canal established.

The needs of the fleet which has done such effective work in Asiatic waters also brought the requirement of a better naval base than that afforded by the station at Cavite. An ideal location has been selected at Olongapo, on Subig Bay, and this easily defended and accessible base will be made the refitting and supply station of United States ships in Asiatic waters.

#### **Young Native-Born Men Attracted to the Service.**

It is also to be noted that under Republican administration, the Navy has been exceptionally successful in attracting the services of the young men of the nation to a most creditable degree. As late as 1889 it was stated in a report of Secretary of the Navy Tracy that "at the present time crews of our naval vessels are in large part composed of foreigners." For the year 1903, 90.7 per cent. of the enlisted men were citizens of the United States and nearly eighty per cent. were native born. Of the 12,934 enlistments effected in 1903 a very large proportion came from the States of the West and Middle West, and the splendid examples of American young manhood who undergo the careful training and education in seamanship and the duties of the man-of-war have developed into a class described by Admiral Dewey as the "best enlisted men in the world." The strength of the Navy on March 31, 1904, consisted of 2,060 officers and 30,751 enlisted men, while the strength of the Marine Corps carries 233 officers and 7,467 enlisted men.

It is to be noted that while the expenditures for the building up of the Navy and for providing the necessary accessories for its efficient operation have increased largely in this term of years, the



item of expenditure "salaries and expenses" has not had a proportionate increase. Thus the proportion of this item to the whole expenditures for the Navy for the fiscal years ended, respectively, on June 30 in 1894, 1895, 1896, and 1897 was 1.2 per cent in 1894; 1.4 per cent. in 1895; 1.4 per cent. in 1896, and 1.1 per cent. in 1897. The years of 1894, 1895, and 1896 were those of Democratic administration, as were also nine months of the fiscal year ended June 30, 1897. Of the six succeeding fiscal years, which are years wholly of Republican administration, the proportion of "salaries and expenses" to total expenditures is, in 1898, 0.7 per cent; 1899, 0.6 per cent; 1900, 0.7 per cent; 1901, 0.7 per cent; 1902, 0.7 per cent; 1903, 0.6 per cent.

#### **Our Naval Stations in Cuba.**

In accordance with the seventh stipulation of the "Platt Amendment," the Cuban authorities have already transferred to the United States Navy Department two sections of Cuban territory for the establishment of United States naval and coaling stations—one on the south coast and one on the north coast. The southern station is at Guantanamo, and includes a large tract of 18,500 acres of land, bordering on one of the best harbors of Cuba. The northern station is at Bahia Honda, a bay about forty miles east of Habana, and includes a tract of about 1,000 acres. Both stations are highly satisfactory to the United States naval authorities, and the negotiations regarding their selection and transfer have been eminently amicable and cordial on both sides. By the terms of the agreements the stations are to be leased to the United States at an annual rental of \$2,000, which is universally considered by the United States authorities as a mark of great generosity and good will on the part of the Cubans. Congress has already appropriated \$311,000 to begin work on the station at Guantanamo, which is a position of great strategic importance and value, effectually guarding all the Caribbean approaches, and it will greatly strengthen the most vulnerable coast line of the United States. The station at Bahia Honda, the development of which will be attended to later, will also prove very useful to this country.

Under the stipulation included in the negotiations between the United States and Cuba, there has been placed at the disposal of the Navy Department certain sections of Cuban territory for the establishment of naval and coaling stations. The details of these arrangements have been carried out in a spirit of friendliness and mutual accommodation which has been the source of universal satisfaction. The defense of the independence of Cuba, as well as the protection of the entrance of the Panama Canal and of the Gulf coast of the United States, which has during its history been vulnerable and open to attack from the direction of the Caribbean, has been assured by the far-sighted policy of both governments in setting aside at Guantanamo Bay, on the south coast of Cuba, a tract of land surrounding the best harbor on the coast for the purpose of the establishment of an adequate naval station and base for the use of the vessels of the United States in these southern waters.

In February, 1903, an agreement was signed by the President of the Cuban Republic and by the President of the United States providing for the lease to the United States of land at Guantanamo, amounting to about 18,500 acres, and at Bahia Honda, a bay some forty miles from Habana on the north coast of Cuba, amounting to about a thousand acres. By a further treaty, ratifications of which were exchanged in Washington October 6, 1903, the annual rental for these lands was fixed at two thousand dollars, American gold, so long as the United States should occupy the land. Under the various agreements the United States has full power and jurisdiction to occupy the land for the purposes of naval bases, and amicable arrangements have been made to prevent all conflict of jurisdiction.

Appropriations of \$300,000 have been made available by the Congress of the United States to provide for the inception of the work at Guantanamo, the location at Bahia Honda being reserved for development at a future date as the necessities of the situation develop. The leasehold at Guantanamo is a most gratifying acquisition in every respect. A capacious harbor with ample depth of

water is surrounded by land which may be improved readily for the purposes of a naval station. It is strategically the most important point on the south coast of Cuba, being within easy distance of all the important channels opening into the Caribbean. Its acquisition and the development of a naval station there is the most important step in the national defense that has been taken in recent years, since it will effectually guard the most vulnerable coast line of the United States. As a guaranty of the predominance of the influence of the United States in southern waters the value of this concession is inestimable, as the wisdom of its acquisition is undoubted, while the liberality of the terms on which the Government of Cuba effected the lease is an indication of the substantial nature of the friendly relations existing between the two nations.

Surveys which have been made at Bahia Honda develop the fact of a large anchorage for deep-draft vessels, and while it is not the intention to inaugurate improvements there at present, the location affords an effective base for coaling from ships and as a point from which effective defense of the waters immediately between Cuba and the United States may be made.

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**I am a protectionist because I think by that policy the workmen of America will be well paid and not underpaid.—Hon. George F. Hoar.**

**Protection creates a home market, without which the cultivators of land in America would be but a little better off than our aborigines.—Hon. J. S. Morrill.**

**Our appeal is not to a false philosophy or vain theories, but to the masses of the American people, the plain, practical people whom Lincoln loved and trusted and whom the Republican Party has always faithfully striven to serve.—Maj. McKinley to Notification Committee, 1896.**

**The Republican party stands now, as it has always stood, and always will stand, for sound money with which to measure the exchanges of the people; for a dollar that is not only good at home, but good in every market place in the world.—Major McKinley to Young Men's Republican Club, June 26, 1896.**

**The prosperity of any of us can be best attained by measures that will promote the prosperity of all. The poorest motto upon which an American can act is the motto of "Some men down" and the safest to follow is that of "All men up."—Vice-President Roosevelt at opening of Pan-American Exposition, May 20, 1901.**

**No matter how capital combines or how labor combines or how they differ among themselves, their interests are inseparable and it ought to be plain to both that they can not afford to go out of business in favor of foreign labor and foreign capital by abandoning the policy of protection.—Hon. E. L. Hamilton, in Congress, April 14, 1904.**

**That whenever the need arises there should be a readjustment of the tariff schedules is undoubted; but such changes can with safety be made only by those whose devotion to the principle of a protective tariff is beyond question, for otherwise the charges would amount not to readjustment but to repeal. The readjustment when made must maintain and not destroy the protective principle.—President Roosevelt's speech accepting 1904 nomination.**

**A protective tariff unquestionably increases the rewards of labor (a) by creating a demand for skilled labor, (b) by diversifying the kinds of labor in a country and thus differentiating both demand and supply, and (c) by making for producers of every kind a home market. This increase of the laborer's reward is not confined to the protected industries, but elevates wages in every sphere (a) by the sympathetic effect of high wages generally, and (b) by withdrawing from the nonprotected industries and from agriculture a surplus of wage-earners who would divide and reduce wages if they competed against each other.—David J. Hill, D. D., LL. D., president University of Rochester.**

## NAVAL EXPENDITURES.

[From the Nautical Gazette.]

Certain grumblers in the session of Congress just closed complained of the increased expenditures necessary to give us a navy worthy of the position of our nation in the affairs of the world, and of our growing foreign commerce. Let us see, for the four years 1900-1903, how our naval expenditures, maintenance, and new ships compare with the expenditure for similar purposes by our four most important commercial rivals—Great Britain, Germany, France, and Russia.

### Great Britain.

1900.....	\$160,660,000
1901.....	168,632,000
1902.....	171,009,000
1903.....	195,304,000

### United States.

1900.....	\$56,378,000
1901.....	60,985,000
1902.....	68,302,000
1903.....	83,116,000

### France.

1900.....	\$62,555,000
1901.....	65,538,000
1902.....	61,359,000
1903.....	62,964,000

### Russia.

1900.....	\$54,814,000
1901.....	58,298,000
1902.....	53,339,000
1903.....	61,747,000

### Germany.

1900.....	\$37,362,000
1901.....	46,124,000
1902.....	51,453,000
1903.....	51,260,000

Averaging these four years we get the following result, in round millions:

Great Britain .....	\$173,000,000
United States .....	67,000,000
France .....	63,000,000
Russia .....	57,000,000
Germany .....	46,000,000

Is there any reason why we should not take as much care of our world position and our world trade, as does Great Britain, while, as a matter of fact, our exports exceed those of our Trans-Atlantic cousins? Instead of crying out that we are spending too much on our navy, these grumblers (for party purposes) should call for larger expenditures, or, at least keep quiet. Great Britain, with a smaller export trade, is devoting more than two and a half times as much money to the support and upbuilding of her navy as is the United States.



## DEPARTMENT OF THE INTERIOR.

### **The Land Fraud Investigation.**

Information that frauds of a serious nature were being perpetrated against the Government by a combination of land speculators located at San Francisco, California, was brought to the attention of the Secretary of the Interior about December, 1902, through a report of one of the agents of the land department. Some of the persons implicated were represented to be men of wealth, of apparent high standing in their business relations, and of great social and political influence. It was charged that these men were defrauding the United States out of large quantities of the public lands by obtaining the same in an unlawful manner under certain provisions of the forest reserve legislation contained in the act of Congress of June 4, 1897 (30 Stat. 11, 34-36), the purpose of which legislation was to allow the exchange of lands held in private ownership within the limits of United States forest reserves for other lands belonging to the United States, situated outside of such reserves. By the creation of forest reserves many private owners of land within the boundaries thereof were placed in a state of isolation from the markets and business centers, and from church, school, and social advantages, and the value of their lands was thereby necessarily impaired. There was no longer hope of the continuing and increasing settlement of the surrounding lands, such as was reasonably expected and anticipated when their titles were acquired.

It was with a view to relieving the situation thus described with respect to the pioneer settlers of the public domain, and to provide a means whereby the Government might become the sole owner of all the lands within such reserves, and thereby be enabled to improve and protect the forests therein for the purpose of securing conditions favorable to a continuous water flow and to a permanent supply of timber for the use and necessities of the citizens of the United States, that the legislation referred to was enacted.

The information touching the alleged fraudulent transactions tended strongly to show that this legislation, enacted in the interest of the public and for the most laudable purposes, was being perverted to the unlawful use of unscrupulous and scheming men, whose sole object was to increase their own possessions by defrauding the Government of its public lands.

The Secretary of the Interior at once placed the matter in the hands of competent agents, with instructions to make a most thorough and exhaustive investigation thereof and to probe every clue to wrongdoing to the bottom, regardless of any influence, social, political, or otherwise, that might be possessed by the parties implicated. The investigation was commenced early in January, 1903, and notwithstanding many great and almost insurmountable difficulties which had to be met and overcome, and the constant efforts on behalf of the persons involved to defeat the investigation and to control its issue favorably to themselves, the work proceeded without cessation, under the personal direction of the Secretary of the Interior, with the result that in February last Frederick A. Hyde and John A. Benson, of San Francisco, California, the leading spirits in the combination, together with others implicated with them, were indicted by the grand jury of the District of Columbia, under section 5440 of the Revised Statutes, for conspiracy to defraud the United States. The evidence procured in the investigation showed that these parties had been engaged for several years in securing and attempting to secure titles to and the possession and use of large tracts of the public lands of the United States in exchange for State school lands lying within the limits of United States forest reserves in the States of California and Oregon, the titles to which school lands were acquired by said parties from said States contrary to the laws thereof relating to the disposal of school lands, and in a grossly illegal and fraudulent manner, by means of false and forged affidavits and other documents required by the laws of said States to be executed

and filed in connection with the purchase of school lands; and also by making, and securing to be made, false and forged relinquishments to the United States of the lands thus fraudulently obtained from said States, and by selecting other lands belonging to the United States outside of forest reserves in lieu of the lands so fraudulently obtained and relinquished to the United States.

While several hundred thousand acres of the public lands, situated in various of the public land States and in the Territories of Arizona and New Mexico, are involved, only about thirty or forty thousand acres had been patented by the Government when the fraud was discovered. The issue of patents for such lands was immediately stopped, and the Government is therefore in no danger of further loss of its public lands through the said fraudulent scheme.

As a further result of the investigation John A. Benson has been indicted for bribery of public officials at Washington in connection with these fraudulent transactions.

The indictments, both for the conspiracy and for the bribery, are now being prosecuted with the utmost possible vigor by the Department of Justice. Immediately after the indictments were found the defendants were arrested—two in the State of California, one in the State of New York, and another in the District of Columbia. Proceedings under Section 1014 of the Revised Statutes have been instituted in California and New York to secure the removal of the defendants arrested in those States to the District of Columbia for trial.

The investigation and prosecution have had the effect to convince the public mind that the Secretary of the Interior, as the head of the land department, is determined to guard the interests of the people with the greatest care and watchfulness in the matter of the disposal of the public lands, and to preserve the same for the benefit of those entitled to them under the law; and also to show that the Government is determined to punish all persons who seek to acquire its public lands by means of forgery, perjury, bribery, or other unlawful means.

The Attorney-General has taken hold of the prosecution with vigor and determination, and the people need have no fear that any of the guilty parties will be allowed to escape just punishment for their misdeeds. That the results accomplished will have a beneficial effect in deterring others from entering upon similar fraudulent practices there can be no doubt, nor can the full extent of the good done be at this time estimated.

A copy of the indictment, the first count whereof describes in detail the fraudulent methods employed by the conspirators, is herewith submitted.

Frauds of a much less serious nature and extent have also been perpetrated in the States of California, Oregon, and Washington by other parties in attempts to secure title to timber lands belonging to the United States, under legislation enacted for the disposal of such lands. (Act June 3, 1878, 20 Stat. 89.) A number of indictments have been found against the parties engaged in these frauds, and the cases are now being pressed for trial in the courts, with the confident expectation that convictions will be had.

#### Care of the Indians.

The civilization of the American Indian is being accomplished through educational processes which have been wonderfully developed during the past seven years. A continuous policy has been pursued, and results are commensurate with the time, thought, and money which have been expended. Education to work has been the dominant factor. Literary training has been given the subordinate place. All Indian schools have been made industrial centers from which are annually radiating educated Indian boys and girls. They return in a great many instances to their reservation homes and allotments carrying the seeds of industry and thrift, which are beginning to bear fruit. Seven years ago 89,000 Indians out of a total of 183,000 dressed as citizens, while to-day 112,000 are thus habited. Then there were 38,000 who could read, and now there are 50,000, and 66,000 who have sufficient knowledge of the language to use it familiarly in ordinary business life.

There were conducted in 1897 234 schools, with an enrollment of 23,000 pupils, and to-day there are close to 30,000 whose names



are on the school rolls. They are taught by 2,500 teachers and instructors.

In no phase of the Indian question has greater progress been made than in the education of Indian children. Careful instruction adapted to future environment is taught in 257 schools which a generous Government has provided for its wards. These establishments are on the colossal scale of Haskell and Chilocco, with seven or eight hundred bright Indian boys and girls as assiduously pursuing their studies as their white friends, or on the modest plane of a little day school of twenty-five pupils, tucked away in a mountain gulch on an Indian reservation far from railroad and civilization. Each is working out the destiny of the Indian.

All the energies of the administration have been to civilize the Indian—to prepare him for citizenship and enlarge his capacity to enjoy its blessings. Indian schools are laying the broad foundation for this result, and unnumbered individual instances are produced showing that the American Indian is fast adapting himself to the manners, customs, and habits of the whites. The educated Indian as a citizen and a voter, as a farmer and a worker, is reaching the standard of the average citizen of our country. Reservation barriers are being broken down, and the great tide of civilization is sweeping into and around the lands of the Red Man. Modest as well as splendid homes and cities are springing up on the old reservations. The Indian is thus brought in contact and, after education, into a portion of that civilization. Business administration of schools and agencies has been substituted for the haphazard policies of the past. Men of education, experience, and business qualifications now control the destinies of the agencies and schools. These men are directing the energies of returned Indian pupils, and as a result ignorance, thriftlessness, and their attendant evils are being banished. Civilized homes and contented citizens can be the only result.

The education of the Indian costs about four million dollars per annum. It is money well spent, in that it is uplifting a race of native-born people to the high grade of citizens. It is annually sending back among the whilom warriors, bucks, and squaws of the older generation 2,000 or more educated, civilized youths to lighten the old mass, to break down tribal customs, and build up a sturdy yeomanry. It is dotting the West with deserted army posts, costing millions to build, equip, and maintain, turning barracks into dormitories, and cannon into plow shares. The rattle of the saber and the clank of war have given way to the busy hum of the shops and the cheerful call of the red plow boy, and instead of sending out a dashing troop to carry desolation and carnage to the Indian home, now emerges the educated Indian to take his place in our civilization as a wage-earner and peaceful worker in the shops and on the farm.

During the past four years the Government has been engaged in settling the affairs of the Five Civilized Tribes in Indian Territory, under agreements with the several tribes and legislation by Congress. This necessitated the resurvey, appraisement, and classification of nineteen and a half millions of acres, the largest state ever settled in the history of the world, a Territory about the size of the State of Indiana, and an inquiry into the rights of two hundred and fifty thousand claimants to citizenship, resulting in favorable action on about one hundred and thirty thousand cases, allotments having been made to about two-thirds of these. Two hundred and ninety-seven towns have been surveyed and the lots appraised and scheduled preparatory to sale, and it is expected that at least five millions will be realized for the tribes. There being large tracts of coal lands in the Choctaw and Chickasaw Nations, four hundred and fifty thousand acres have been set aside and are soon to be sold for the benefit of the two tribes, the value being estimated at several millions. Many and far-reaching legal questions have been solved or are in process of solution in connection with this work, to the end that all the affairs of these tribes may be finally closed up when their governments expire by limitation of law in March, 1906, and their citizens become merged with the general citizenship of the Nation.

As a result of the recent laws relating to Oklahoma and Indian territories there have been constructed in that section of country within the past four years about 2,000 miles of new railroad,



opening to market the resources of one of the most richly endowed portions of the United States, embracing extensive coal and asphalt fields; and nearly every town and hamlet in that broad region is connected by telephone with the surrounding States.

Since the first of October, 1901, over 2,000 allotments of lands in severalty have been made to Indians on various reservations in pursuance of the policy of breaking up the reservation system.

During the same time over 800,000 acres of reservation lands have been restored to the public domain and made subject to settlement and sale, providing homesteads for 5,000 families.

The further quantity of 2,300,000 acres of Indian reservation lands is to be disposed of within the next two or three years.

In the matter of the occupancy of Indian lands, a remarkable reform has been accomplished within the past few years. Only a few years ago Indian reservations were open to encroachment by the whites and were subject to continual trespassing. Now practically every acre of surplus tribal land is under lease, yielding the Indians of the several reservations a revenue of more than a million and a half dollars annually.

Under the act of 1902, authorizing the sale of lands of deceased Indians, the Department of the Interior has disposed of, at fair prices to the Indian heirs, about one thousand five hundred separate tracts, aggregating 150,000 acres, situated principally in the middle west, making 1,500 additional homes to meet the wants of our ever increasing population.

During the present administration no less than 15,000 leases of Indian allotments have been executed, and approved by the Secretary of the Interior, covering an area of about a million and a quarter acres, and yielding a revenue to individual Indians of something like \$600,000 annually, and providing temporary homes for thousands of settlers.

#### **Pensions.**

In the administration of the pension laws, the Pension Bureau, under Republican administration, has always been liberal and generous to the brave defenders of our country. The Republican party has been the devoted and consistent friend of the soldier and his dependents, and this fact stands forth prominently in the history of pension legislation ever since 1862.

Liberal and beneficent laws have been enacted, and the present pension system, which has been built up by the different administrations, is the best and most liberal in the world. It embraces within its provisions the soldier and sailor who contracted his disabilities in the service, and grants relief to 450,000 survivors of the Civil War who are incapacitated for earning a support from causes which have arisen since the war. Besides these, nearly 300,000 widows and dependent relatives are receiving the benefits of the pension laws.

Notwithstanding the fact that the annual death rate of pensioners is about 45,000 per year, the allowance of new pensions each year are nearly sufficient to prevent any material decrease in the number of pensioners, and in the amount of the annual payments.

Starting with 126,722 pensioners in 1866, the roll has steadily increased under the beneficent legislation of Congress, and from July to October, 1902, the number of pensioners exceeded one million. There has been only a slight decrease since that date and it would not be surprising if the roll should again exceed one million.

Since 1866 the total payments for pensions have been over \$3,000,000,000, and the magnitude of the pension roll both as to the number of beneficiaries and the amount paid has excited the wonder and admiration of all the nations of the world.

The details of the pension system and pension legislation of the United States are discussed at length on page 403.

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**Our opponents now appeal for confidence on the ground that triumphant they may be trusted to prove false to every principle which in the last eight years they have laid down as vital, and leave undisturbed those very acts of the administration because which they ask that the administration itself be driven from power—President Roosevelt's speech accepting 1904 nomination.**

# THE DEPARTMENT OF AGRICULTURE.

## Work of the McKinley-Roosevelt Administration in Behalf of the Farmer.

During the last seven years Presidents McKinley and Roosevelt have aimed to bring the Department of Agriculture to the help of our farmers in all sections of the country, and have instructed the Secretary of Agriculture to use all endeavors to help the tiller of the soil toward greater efficiency and more economic production; to make the American acre more potent in growing crops. The Congress during the last seven years has doubled the amount of money invested in agricultural research and demonstration, to give the American farmers help in their operations on the farm, to feed our people well and cheaply, and enable them to compete with the outside world. It has provided for two thousand scientists, specialists in their respective lines, who are in touch with our farmers in all sections of the country, gathering information and preparing it for issue in departmental publications, of which twelve million pieces are given out annually and go into our country homes, dealing directly with what is uppermost in the minds of our growers of plants and animals at the time of publication.

### Science Applied to Development of Agriculture.

The education of specialists in applied science to meet the demand for research under the Federal Government and under State institutions, has become a prominent feature of departmental work. Graduates of our agricultural colleges are drafted into the Department of Agriculture and prepared for scientific research along the lines demanded by the producers of our country under all our varied conditions. Within the last seven years five hundred young men have had postgraduate instruction in the sciences of agriculture. The Department of Agriculture and the State experiment stations are actively cooperating with regard to the unsolved problems that affect the farmer throughout our State and Territories and in the islands of the sea that have lately come into our possession.

New markets for our surplus production are being sought in foreign countries, and scientific inquiry is being made into the reparation of our exports for foreign markets. Uncertainty with regard to the magnitude of our crops at home is being removed by careful statistical inquiry, to the end that more accurate knowledge with regard to production may mitigate the evils of speculation. Inquiry is also being made into the productions of competing countries, in order that the American farmer may know what he has to meet in foreign markets.

### New Products for American Farms.

Strenuous efforts are being made to encourage the home production of articles we have been importing from foreign countries. During the last seven years there has been an increase in the production of sugar from beets of over two hundred thousand tons in quantity and over sixteen million dollars in value. Seven years ago we produced only one-fourth of the rice consumed in the United States. The fostering work of the Federal Government has enabled the rice growers to produce more than the equivalent of our home consumption and foreign markets are being sought for the surplus. There was an increase in the production of rice from 115,000,000 pounds in 1898 to 400,000,000 pounds in 1903.

Scientific research by the Bureau of Soils demonstrates the fact that we can produce at home the fine tobaccos for which we have been paying fifteen million dollars a year to foreign countries. Our explorers have searched foreign lands for grains, lemons, fiber plants, teas, etc., for introduction into sections of the United States suitable to their production. The producing area for grains has been extended westward into the dry regions of our



country through the introduction of plants that are at home where the rainfall is light. Millions of bushels are being grown in regions that have heretofore been unproductive.

### **Eradication of Diseases of Farm Animals and Products.**

The Federal Government is studying the diseases of domestic animals with a view to their complete eradication. Our animals and their products go to foreign countries with bills of healthfulness. The American meats are the most wholesome in the world, and the world is beginning to find it out. An imported foreign disease of domestic animals was promptly stamped out within a year at an expenditure of three hundred thousand dollars, to prevent it from spreading throughout the country among our herds and flocks. Rigid inspection against foreign countries having animal diseases is maintained at our ports of entry, in order to protect the health of our domestic animals. Within the last seven years the Government has become thoroughly equipped to deal with plant diseases. The loss of half a million dollars annually was stopped by pathological examination of our sea-island cottons. New varieties of fruits, cereals, cottons, etc., are being created by hybridizing to meet the demands of producers of these crops in the North and in the South.

Our forests have been mostly destroyed and our mountains, the natural reservoirs for water, have been rendered incapable of retaining moisture. Efforts are being made to reforest the country, to prevent fires, to regulate grazing in our forests, and to study lumbering and forest products.

The Federal Government is making inquiry into road material, and a beginning has been made in the education of young men toward road building. A laboratory has been established in the Department of Agriculture for the study of materials with which to construct roads, and rocks, gravels, clays, tiling, cement, concrete pavements, stone, brick, wood, and asphaltum are being studied.

A Central American weevil threatens to destroy the cotton crop of the United States. The Federal Government, in searching the world for a remedy, has found on the table-lands of Guatemala an ant which gives promise of destroying the pest. The San Jose scale, which was destroying our orchards, is now being checked by an insect enemy found near the Great Wall of China. The black scale, that attacks orange and lemon groves in California, is being exterminated by a parasitic fly brought from South Africa.

The practicability of growing tea in the United States is being demonstrated, and extensive experimentation is being made in the production of silk.

The atmosphere in its relations to agriculture and commerce is being carefully studied, and trained meteorologists, for the first time in our history, are being detailed from the Department of Agriculture to give lectures in institutions of learning, in order that we may have scholars in the land along this line of inquiry to the end that the farmer and the mariner may have all the protection that intelligent forecasting can give them.

### **The Farmer and the Balance of Trade.**

During the thirteen years, 1890-1902, the average annual excess of domestic exports over imports amounted to \$275,000,000 and during the same time the annual average in favor of farm products was \$337,000,000, from which it is apparent that there was an average annual adverse balance of trade in products other than those of the farm amounting to \$62,000,000, which the farmer offset and had left \$275,000,000 to the credit of themselves and the country.

Taking the business of 1903, the comparison is much more favorable to the farmers than during the preceding thirteen-year period, since the value of domestic exports over imports was \$367,000,000, the entire trade being included, while the excess of farm products was \$422,000,000, which was sufficient not only to offset the unfavorable balance of trade of \$56,000,000 in products other than those of the farm, but to leave, as above stated, the enormous favorable balance of \$367,000,000.



During the last fourteen years there was a balance of trade in favor of farm products, without excepting any year, that amounted to \$4,806,000,000. Against this was an adverse balance of trade in products other than those of the farm of \$865,000,000, and the farmers not only canceled this immense obligation, but had enough left to place \$3,940,000,000 to the credit of the nation when the books of international exchange were balanced.

These figures tersely express the immense national reserve sustaining power of the farmers of the country under present quantities of production. It is the farmers who have paid the foreign bondholders.

The health of our people is being safeguarded by inquiry into importations of food from foreign countries that contain substances deleterious to health. The United States is no longer the dumping ground for food stuffs that are forbidden sale in the countries where they originate.

An aim of the Department is to make the American independent with regard to everything that can be produced in our latitudes. Corps of scientists have been placed in each of the new island groups that have lately come under our jurisdiction for the purpose of helping them to produce what can not be grown in the continental United States.

The Department of Agriculture is furnishing information regarding the requirements and possibilities of irrigation, both in the arid regions of the United States and as an aid to agriculture in the humid East. This inquiry determines the amount of water needed to give the best results, the time when it should be applied, and the methods of application best suited to different localities and different crops. The evils of too much water, resulting in the ruin of large areas which were highly productive a few years ago, are being investigated, with a view to preventing not only the ruining of crops which get too much water, but of those on equally fertile soil which are deprived of the necessary water supply. The economic use of water, and the introduction of plants from foreign countries where the rainfall is light, are extending crop growing over large areas that have hitherto been unproductive.

See "Agricultural Prosperity," page 136, and "Value of the Factory to the Farmer," page 148.

I believe it is a good deal better to open the mills of the United States to the labor of America than to open the mints of the United States to the silver of the world.—Maj. McKinley, to his comrades of the 23d Ohio Regiment, at Canton, August 12, 1896.

A tax, and a stiff one, upon foreign manufacturers would be one of the most popular as well as one of the wisest imposts ever levied in this country. Either the foreign manufacturer would pay the duty or the home manufacturer would get the trade.—London Daily Telegraph, December 10, 1903.

Judging by the history of the last 12 years, down to this very month, is there justification for believing that under similar circumstances and with similar initial differences of opinion, our opponents would have achieved any practical result?—President Roosevelt's speech accepting 1904 nomination.

Laying aside the fact that trusts are organized under English free trade as well as German, Austrian, and American protection, it is susceptible of absolute demonstration that American free trade would operate in the interests of trusts and against the interest of American labor.—Hon. E. L. Hamilton, in Congress, April 4, 1904.

Under our policy of free trade we have lost that commercial and industrial superiority we acquired under the policy of strict protection. Our policy of direct taxation bears heavily upon our industries and reacts on the working classes in reduction of wages and employment. Our agriculture has been ruined and our industries are struggling hard for existence. Other nations, under a policy of strict protection, are beating us in the race of competition, not only in neutral, but in our own markets.—Sir Gullford L. Molesworth on Free Trade in England.

## DEPARTMENT OF COMMERCE AND LABOR.

The act creating the Department of Commerce and Labor was approved February 14, 1903, and Hon. George B. Cortelyou, formerly Secretary to the President, was made Secretary of Commerce and Labor. On July 1, 1903, the following offices were transferred from other departments and made a part of the Department of Commerce and Labor: The Light-House Board, the Light-House Establishment, the Steamboat-Inspection Service, the Bureau of Navigation, the United States Shipping Commissioners, the National Bureau of Standards, the Coast and Geodetic Survey, the Commissioner-General of Immigration, the Commissioners of Immigration, the Bureau of Immigration, the Immigration Service at Large, the Bureau of Statistics, the Census Office, the Department of Labor, the Fish Commission, the Office of Commissioner of Fish and Fisheries, the Bureau of Foreign Commerce, the Alaskan Fur-Seal and Salmon Fisheries.

The personnel of the Department on that date comprised 10,125 employees, of which number 1,289 were on duty in Washington and 8,836 in the country at large.

The act creating the Department having become a law after the preparation of the usual appropriation bills, the sum appropriated for the services of the fiscal year 1903-4 was limited. Notwithstanding that fact, material progress has been made by this new Department in developing and enlarging the scope of the work of the bureaus assigned to it and in preparing for thorough and valuable work by the newly created bureaus and divisions.

The Census Office has perfected its plans for a taking of the census of manufactures in 1905, which will be the first occasion on which a Federal census relating to any important industry or factor of our national life was made in any other than the decennial year or in connection with the decennial census. Under the law a census of manufactures is hereafter to be taken every five years.

The work of the Bureau of Statistics has been materially broadened and its value increased by a consolidation of the Bureau of Foreign Commerce, formerly of the State Department with it. The reports of the United States consuls in various parts of the world on commerce and commercial matters are edited and published by the Bureau of Statistics in conjunction with its statistics of our own import and export trade and domestic productions. By this combination of the information furnished by the consuls and that of the Bureau of Statistics, the value of their work has been materially increased. Under authority granted by a recent act of Congress, a Division of Foreign Tariffs is to be established by the Bureau of Statistics, from which information regarding the tariffs of the various countries of the world can be obtained. Reports of the consuls are issued in a daily bulletin and distributed to the press, the great commercial organizations of the country, and to such individuals engaged in manufacturing and export trade as may find them of value in their studies of conditions in foreign markets or opportunities for expanding their sale abroad.

The act creating the Department authorized the establishment of a Bureau of Manufactures, but owing to the inadequacy of the appropriation made after the passage of the bill in the closing days of the session this could not be accomplished during the last fiscal year, but a sufficient appropriation has been made to justify its establishment early in the new fiscal year.

The Bureau of Fisheries has enlarged and extended its work and is giving special attention to the fisheries in Alaska, with the purpose of taking such steps as will prevent the destruction of the salmon fisheries of that important section of the United States—an industry which is of great importance at the present time, and which with proper care and protection will continue as a producer of great food supplies and great wealth.



### The Bureau of Labor.

A large part of the office and field force of the Bureau of Labor has been engaged during the past year in the collection of data for the eighteenth annual report of the Bureau (the report for 1903) and in its preparation. This report presents the results of an extended investigation into the cost of living of workingmen's families and the retail price of staple articles of food used by such families. That part of the report which relates to retail prices is the first extended investigation of the kind that has been made in this country. The previous price studies, covering a period of years, have dealt solely with wholesale prices, which of course do not represent accurately the cost to the small consumer.

The second annual report on the course of wholesale prices was made in the Bureau's bulletin for March, 1903. While it is considered advisable to continue this index of wholesale prices, the data relative to retail prices contained in the eighteenth annual report should be used in preference to wholesale prices in any study of the cost of living of workingmen's families.

In addition to the preparation of the eighteenth annual report and other work done by the Bureau, its bulletin has been issued regularly every other month. Each number of the bulletin contains, in addition to one or more special articles, timely data relative to agreements between employers and employes, digests of recent reports of State bureaus of labor statistics, digests of recent foreign statistical publications, court decisions affecting labor, and laws of various states relating to labor. As the result of investigations in progress or completed, forthcoming bulletins will contain the following special articles:

Labor Unions and British Industry.

Labor Conditions in Australia.

Labor Conditions in the Philippine Islands.

The Revival of Handicrafts in the United States.

Trade Union Movement among the Coal Mine Workers of the United States.

Other investigations are being carried on by the Bureau, and the results will appear either in the bulletins or in special reports. Among the latter may be mentioned a report on restriction of output by employers and employees in the United States, Great Britain, and the continent of Europe; a report on the labor of children in the principal industrial States of the Union; a report of coal-mine labor in Europe; and also a compilation of the labor laws of the United States, which revises and brings down to date the second special report of the Bureau, published in 1896. Reports have already been issued upon the condition of the laboring classes of the Territory of Hawaii.

Active work on the preparation of the nineteenth annual report of the Bureau and the collection of data therefor was begun some months ago, and rapid progress is being made. This report, which should be available—in summary form, at least—in the spring of 1904, will comprise the largest and most representative collection of data relative to wages ever undertaken. The period covered will be the years from 1890 to 1903, inclusive, and it is expected that every important manufacturing industry and every large industrial center in the United States will be adequately represented.

One of the first official acts of the Secretary of Commerce and Labor on the day the Bureau of Labor was transferred to this Department was to direct the employment of a special agent to make an investigation in England as to the effect of trade unionism on British industries. The agent's report, which is to appear in an early issue of the bulletin, will commend itself to the attention of those interested in this subject. In view of the attention which the subject of trade unionism commands, and the efforts made by employers and employees to improve their relations, to prevent strikes and other industrial disturbances, and to provide a ready and certain method by which disagreements can be adjusted, it is believed that this report, explaining the methods adopted in Great Britain and the lessons they teach, will prove a valuable contribution to the literature of sociology and may offer some suggestions which can be profitably adopted in our own industrial system.



Commenting on the Bureau of Labor and its work, Secretary Cortelyou said in his annual report:

"The Bureau of Labor has rendered effective service in its special field. The Department will utilize to the fullest extent the experience that has been gained in this important Bureau, and will seek to make more and more available the information it can obtain and to secure larger results from its work. Not only is there at present a bureau doing work pertaining exclusively to labor, but it is proposed to make every other bureau in the Department do its share, so far as its organization will permit, to 'foster, promote and develop \* \* \* the labor interests, \* \* \* of the United States.' The Department's statistics on labor, as well as its statistics on other subjects, will be gathered fairly, given out fairly, and as far as possible will be made to represent accurately conditions found to exist. Whatever rearrangement may be found necessary in any of the duties now assigned to the Bureau, the great interests of labor and of industry in their broadest sense will be subserved. The new Department should not be expected to do impossible things. If it can be helpful to any considerable extent in improving existing relations as between employer and employee; if its publications can furnish facts from which there may come fuller understanding; if, having gained the confidence of the people, it can, from time to time, point the way to better feeling and broader views as between contending interests, it will accomplish one of the most beneficent results of its organization.

"The Department is empowered to acquire and diffuse among the people of the United States useful information on subjects connected with labor, in the most general and comprehensive sense of the word, especially regarding its relation to capital, such as the hours of labor and the earnings of laboring men and women; the means in general of promoting their material, social, intellectual, and moral condition; the elements of cost, or approximate cost, of products; the comparative cost of living, and the kind of living; the articles controlled by trusts or other combinations of capital, business operations, or labor, and the effect such trusts or other combinations have on production and prices; the causes of and facts relating to all controversies and disputes between employers and employees.

"Capitalists and wage receivers are to be treated on an equality, for in these matters relating to labor and capital and to their respective representatives the Department must stand in the position of an educational office, collecting and publishing such information as will enable each party to understand more fully the prevailing conditions.

"The Department has no executive functions relative to the settlement of labor disputes. It can not interfere on behalf of either employer or employee in controversies arising between them.

"Whatever enables either party to secure necessary information falls within the authority of law. That authority does warrant the Department in publishing any information drawn from conditions in this or in other countries which will be helpful in bringing about fuller knowledge and better understanding. Employer and employee are dependent upon each other, and the recognition of the welfare of both, and of the means of assisting in securing that welfare, will be assiduously cultivated. All possible measures of an educational nature will be employed to induce the representatives of labor and capital to conduct their affairs on a basis which shall not interfere with the general welfare of those not engaged in the disputes. This general policy must commend itself to the wisdom of employer and employee alike, as it is in the interests of both."

#### **The Bureau of Corporations.**

The Bureau of Corporations, created by this act, is charged with the duty of gathering information on the subject of interstate and foreign commerce, to investigate the organization, conduct, and management of corporations and joint stock companies engaged in such commerce (other than common carriers subject to the jurisdiction of the Interstate Commerce Commission), to report the results of such investigations to the President through the Secretary of Commerce and Labor, and to compile and pub-

ish useful information concerning corporations engaged in interstate and foreign commerce, including insurance companies.

As an aid to investigation, the Commissioner of Corporations is given like powers to those granted the Interstate Commerce Commission.

Since the organization of the Bureau on February 26, 1903, exhaustive studies have been undertaken in the following fields:

1. A systematic study of the law creating the Bureau.
2. The general subject of interstate commerce and the powers of the Federal Government in relation thereto.
3. The decisions of the Federal courts relating to corporations engaged in interstate commerce which are subject to the jurisdiction of the Bureau.
4. The jurisdiction and powers of the Interstate Commerce Commission.
5. The decisions of the Federal courts in relation to trade conspiracies, monopolies, and combinations in restraint of trade.
6. The corporation laws of the various States and Territories, particularly those relating to the annual reports and the returns for taxation purposes required from such corporations.
7. The methods of taxing corporations in each State and the decisions relating to the taxation of interstate commerce.
8. The effect of industrial combinations upon the prices of the commodities sold by such combinations, the effect of tariff duties upon the prices of commodities subject to such duties, and the reasons for the difference, if any exists, between the domestic and foreign prices of commodities manufactured by the protected industrial combinations of this country.
9. The powers of the Federal Government in relation to insurance companies.

From a preliminary study, it became apparent that the public records of States and Territories, the reports of special committees appointed under State or Federal authority, the files of certain Government offices, and various commercial and industrial publications contained a fund of valuable information on the subjects to be investigated. This information is being brought together; analyzed, and properly indexed, in order that the facts already known may be utilized in planning more specific inquiries.

An investigation of the beef trust is also in progress; the details regarding this investigation are stated under the discussion relative to trusts, on another page of this volume.

Regarding the functions and work of this important new Bureau Secretary Cortelyou said in his annual report for 1903:

"The creation of the Bureau was viewed by some with alarm, or at least with suspicion. It was feared that the powers granted might be hastily or inadvisedly used to the injury of legitimate enterprise. No such purpose actuated the framers of the law; no such purpose will control its administration.

"Many corporations have been granted important privileges by the public, and some of these corporations, through consolidation of capital, have acquired extensive influence in the industrial affairs of the country. Such privileges, if used improperly, not only retard the progress of industry, but frequently breed corruption in politics. The legislation creating the Bureau of Corporations was the expression of a popular belief that further safeguards should be provided for the regulation of business enterprises to which special privileges have been granted by the people. Publicity will disclose unfair dealing, dishonesty, and corruption; but properly enforced it will not disclose to trade competitors the fruits of individual thrift and initiative, nor permit in any other manner the invasion of private rights."

#### **Work of the Immigration Bureau.**

There is no branch of the administrative service which exhibits a more pronounced and practically useful advance during the present administration than the Immigration Service. This advance is due both to legislation and to the intelligent and fearless administration of those laws by the officers responsible therefor.

On March 3d, 1903, a general immigration law was passed and received the executive approval. This law was a combined modification of all preceding legislation upon the subject, with certain entirely new measures, either suggested by administrative defects in the preceding laws or by the growing necessity of protecting the people of this country from the dangers of an indiscriminate immigration of aliens.

To provide an adequate fund to defray the cost of administer-



ing these laws the head tax imposed upon transportation lines bringing aliens to the United States was increased from one to two dollars per capita. As a result commodious structures have been erected for the humane accommodation of aliens pending examination and for their care during temporary sickness. The official force at the ports of entry has been enlarged in each instance so as to facilitate a prompt and efficient inspection of such persons, the admission of those entitled to land, and the rejection and deportation of those not so entitled.

To the list of those already excluded by law there were added epileptics, those who have been insane within five years prior to arrival, those who have had two or more attacks of insanity at any time previously, professional beggars, anarchists, prostitutes, procurers of prostitutes, and those who have been, within one year prior to their coming, excluded from admission upon the ground that they had come in pursuance of some promise or assurance, given prior to their embarkation, of work awaiting them in this country. The exception from the excluded classes of professionals under the old law was restricted under the new act to those belonging to a "learned profession." That portion of the new act which related to the exclusion of what are known as alien contract laborers was enlarged so as to embrace within that term not only those coming under contract but those whose coming is induced by offers, solicitations, promises, or agreements to perform labor in this country.

Another new feature introduced by the act of 1903 is the imposition of a penalty of \$100 upon any transportation agency knowingly and wilfully bringing any diseased alien to the United States for each such alien so brought, and to make such penalty effective the act provides that such fine when imposed shall not be remitted. Prior to that time the only penalty imposed on a vessel which thus wilfully endangered the health of the people of this country by bringing diseased aliens in contact with healthy ones was the obligation to return such diseased aliens at its own expense.

There are many other respects too numerous to mention in detail in which the new act strengthened the hands of the administrative branch of the government and enabled it to prevent the landing in this country of objectionable aliens. The time within which aliens found unlawfully in the United States could be deported at the expense of the vessel or vessels on which they were brought was extended from one to two years, and authority was given to appoint inspectors to canvass the public institutions of the various States with a view to ascertaining how many aliens were detained therein for the purpose either of punishment, or treatment for disease, or of free support, thus enabling the administrative branch of the government to discover such persons therein as could be deported under the two year limit.

Perhaps the most striking feature of the act is that portion which relates to the exclusion or expulsion of anarchists, a feature of the law which in its application has been found to be efficacious and which the Supreme Court has had occasion to declare constitutional and therefore vital.

One other feature of the act is especially noteworthy in taking away the privilege theretofore enjoyed by diseased aliens of temporary treatment in hospitals of this country. This has in great measure destroyed the temptation of such persons to embark for the United States, and, coupled with a fine imposed in such cases on the transportation company, removes the inducement of such persons to attempt to come to this country.

Under the present administration the enforcement of the laws has kept pace in progress and efficiency with improved legislation. Stations have been established at the principal ports of our insular possessions and efficient and experienced officers have been placed in charge thereof. The most notable feature in such progress, however, is in the organization of an official force along the Canadian boundary, which for the first time controls the influx of aliens from Canada into the United States. Within the past three years the enforcement of these laws on such boundary has become as effective as at the best equipped and administered port upon our seacoast. Under an agreement with the Canadian transportation lines, to avoid impeding travel at the boundary to make inspection there, no alien can secure transportation over



such lines into the United States except upon the production of a certificate from the Commissioner of Immigration at Montreal showing that he has been found admissible and that the head tax for his admission will be paid. To show how efficient this service is, during the year ending June 30, 1903, 5,158 aliens were excluded along the Canadian border, 1,439 of whom were suffering with dangerous contagious diseases. During the same period there were excluded, in the aggregate, at ports of the United States, 8,769, of whom 1,773 were diseased persons. These figures will give some idea of the relative importance of the Canadian border service, which had no existence prior to 1901. During the same period officers along the said border arrested 31 persons engaged in smuggling aliens unlawfully into the United States, most of whom were convicted, some fined, some imprisoned, and some were subjected to both penalties.

Since the passage of the said act, moreover, a large number of aliens have been denied admission as contract laborers and a number of suits have been instituted against the contractors in this country, in which every effort is being made to convict the offenders, a valuable aid to which is found in that provision of the new act which allows the detention of the aliens whose services are contracted for for use as witnesses.

For the first time in the administration of the immigration laws their terms have been applied to Chinese aliens, by means of which a large number of such persons have been excluded because they were afflicted with dangerous contagious diseases.

On April 29, 1902, all existing Chinese exclusion laws, each of which had been enacted for the limited period of ten years from date of enactment, and which were about to expire, were reenacted and extended to the insular possessions of the United States and to intercourse between such possessions and the continental portion of this country. This law contained no limitation of time as to its duration. It is permanent until repealed. The provision in said law which limited the reenactment to such portions of prior acts as were not inconsistent with treaty obligations was, by the last Congress, repealed, leaving the act absolute and permanent.

As an evidence of the purpose, fostered by this administration, to enforce these laws, attention may be called to the fact that the meager appropriations made during former administrations and amounting to between \$100,000 and \$200,000 per annum was increased, for the fiscal year 1904, to \$500,000, and for the year 1905 to \$600,000.

The administration of the Chinese exclusion law, thus aided, has been no less energetic, efficient and fearless than the enforcement of the immigration laws. A notable instance of this will be found in the means adopted to prevent the unlawful entry of Chinese persons from Canada into the United States. Congress had made exclusive ports of entry on the seacoast, but conferred upon the Secretary of the Treasury authority to open additional ports. This authority was exercised along the Canadian border without any condition or precaution, and the result was that many hundred Chinese who were brought to Canada, after remaining there a short time, entered the United States across the border, either surreptitiously or in open defiance of the law. The latter course was usually taken to insure their examination before United States commissioners, where the advantage of the training they had received in Canada was made apparent by the large number annually discharged, many of them as American citizens, upon the score that they had proved birth in this country. By an arrangement with the Canadian transportation line which brings Chinese persons through Canada to the United States, secured through an intimation that unless such arrangement was made the border would be closed and the company deprived of the outgoing travel from the United States that it had long enjoyed, all Chinese destined to the United States are brought direct to one of four specified ports on the Canadian boundary and here delivered to inspection officers, who determine their right to admission before they can secure an opportunity to coach, the expense of maintenance during detention being borne by the said company, as well as the expense of returning those who are rejected. As a result the unlawful entry of Chinese across the Canadian boundary has virtually ceased, and, as illustrative of

the efficiency of the present system, it may be stated that from a single one of said border ports there were recently returned to China, at the expense of the Canadian Pacific Railroad Company, 187 Chinese persons who falsely represented themselves as having been born in the United States and being citizens thereof. Besides this, many more arrests have been made of those unlawfully in the United States, who have accumulated here during lax administration, and upon trial have been ordered deported.

There is one other feature in the administration of these laws which has contributed largely to their efficient administration. The consolidation in the hands of a single bureau of all the administrative functions, not only those discharged by inspectors, but, as well, those formerly imposed upon collectors of customs and collectors of internal revenue, has added largely to the successful enforcement of the Chinese exclusion acts.

When it is recalled that the interests opposed to a strict enforcement both of the immigration and the Chinese exclusion laws are those representing large combinations of capital, such as the transportation lines, both of the Atlantic and Pacific, it will be conceded that the present administration has evinced unflinching courage and independence in its efforts to protect the people of this country from dangerous and undesirable immigration.

### *Government finance, per capita.*

Year.	Population June 1.	Government finance, per capita.						
		Am- ount of money in the United States July 1.	Money in cir- culation July 1.	Debt less cash in Treas- ury, July 1.	Year ending June 30.			
					Inter- est on public debt.	Net reve- nue.	Net ex- penses	Dis- burse- ments for pension- sions.
		Dolls.	Dolls.	Dolls.	Dolls.	Dolls.	Dolls.	Dolls.
1871.....	39,555,000	18.75	18.10	56.81	2.83	9.69	7.39	0.84
1872.....	40,596,000	18.79	18.19	52.96	2.56	9.22	6.84	.74
1873.....	41,677,000	18.58	18.04	50.52	2.35	8.01	6.97	.70
1874.....	42,796,000	18.83	18.13	49.17	2.31	7.13	7.07	.71
1875.....	43,951,000	18.16	17.16	47.53	2.20	6.55	6.25	.68
1876.....	45,137,000	17.52	16.12	45.66	2.11	6.52	5.87	.63
1877.....	46,353,000	16.46	15.58	43.56	2.01	6.07	5.21	.62
1878.....	47,598,000	16.59	15.32	42.01	1.99	5.42	4.98	.56
1879.....	48,866,000	21.15	16.75	40.85	1.71	5.60	5.46	.69
1880.....	50,155,783	23.64	19.41	38.27	1.59	6.65	5.34	1.14
1881.....	51,316,000	26.30	21.71	35.46	1.46	7.00	5.08	.98
1882.....	52,495,000	26.85	22.37	31.91	1.09	7.68	4.91	1.03
1883.....	53,693,000	27.42	22.91	28.66	.96	7.41	4.94	1.13
1884.....	54,911,000	27.08	22.65	26.20	.87	6.36	4.44	1.04
1885.....	56,148,000	27.38	23.02	24.50	.84	5.76	4.63	1.17
1886.....	57,404,000	27.20	21.82	22.34	.79	5.86	4.22	1.13
1887.....	58,680,000	27.84	22.45	20.03	.71	6.33	4.56	1.27
1888.....	59,974,000	28.20	22.88	17.72	.65	6.32	4.46	1.33
1889.....	61,289,000	27.06	22.52	15.92	.53	6.31	4.88	1.45
1890.....	62,622,250	26.91	22.82	14.22	.47	6.43	5.07	1.71
1891.....	63,844,000	26.28	23.42	13.34	.37	6.14	5.73	1.95
1892.....	65,086,000	26.92	24.56	12.93	.35	5.45	5.30	2.07
1893.....	66,349,000	26.21	24.03	12.64	.35	5.81	5.78	2.40
1894.....	67,632,000	26.69	24.52	13.30	.38	4.40	5.43	2.09
1895.....	68,934,000	26.39	23.20	13.08	.42	4.54	5.16	2.05
1896.....	70,254,000	25.62	21.41	13.60	.49	4.65	5.01	1.98
1897.....	71,592,000	26.62	22.87	13.78	.48	4.85	5.11	1.97
1898.....	72,947,000	28.43	25.15	14.08	.47	5.56	6.07	2.02
1899.....	74,318,000	29.47	25.58	15.55	.54	6.94	8.14	1.88
1900.....	76,303,387	30.66	26.94	14.52	.44	7.43	6.39	1.85
1901.....	77,647,000	31.98	27.98	13.45	.38	7.56	6.56	1.79
1902.....	79,003,000	32.45	28.43	12.27	.35	7.11	5.96	1.75
1903.....	80,372,000	33.40	29.42	11.51	.32	6.96	6.29	1.72
1904.....	81,752,000	34.27	30.80	11.83	.30	6.61	7.12	1.74

**We know what we mean when we speak of an honest and stable currency. We mean the same thing from year to year.—President Roosevelt's speech accepting 1904 nomination.**

**Assuredly it is unwise to change the policies which have worked so well and which are now working so well.—President Roosevelt's speech accepting 1904 nomination,**



## THE CIVIL SERVICE.

The chief criticisms of the Civil Service of the United States indulged in by the opponents of this Administration are based either upon a total misapprehension or a willful misstatement of the facts.

The Civil Service law was enacted in 1883 for the purpose of stopping the flagrant abuses which had developed under the old patronage system of appointments. Under that system the government service, particularly in the Departments at Washington, had become inefficient and extravagant. Public office was considered a perquisite of the party in power, not a public trust.

It was to remedy such evils that the Civil Service law was enacted; and during the twenty-one years of its enforcement, there has been developed a high order of industry, integrity, and efficiency in the public service. This development has, of course, not been free from difficulties; mistakes have been made, but year by year the merit system has been improved and extended, until now the competitive classified service covers about 117,000 Federal employees, and is recognized as necessary for good administration.

The conclusive answers to the criticisms are the following plain statements of existing conditions and the acts of this Administration:

*First.*—Entrance to the Federal classified service is not dependent upon personal or political influence; hence the service is now composed of self-respecting, independent men and women who appreciate that advancement will depend upon individual industry and ability. They do not constitute a body of permanent officeholders who are protected from removal even though inefficient and incapacitated, as is charged. The power of removal is absolute in the head of every Department, this rule having been clearly defined by President Roosevelt, and explained by the Commission in its last annual report, as follows:

"The Commission desires to call particular attention to this provision, under which appointing officers are made the absolute judges of the sufficiency of reasons given for the removal of any person in the competitive classified service. No examination of witnesses is required, nor any trial or hearing, except in the discretion of the officer making the removal. The rule is intended to prevent removals upon secret charges and to stop political pressure for removals. \* \* \* The civil service law and rules provide no tenure of office except that based upon efficiency and good behavior, and under the requirements of the law and rules it is as much the duty of an appointing officer to remove classified employees for inefficiency as it is not to discriminate against them in any way for political or religious reasons."

The merit system does not result in an undue permanency of tenure. Fifty-seven per cent of the persons in the entire executive civil service have served less than five years, and seventy-four per cent less than ten years. In the Departments at Washington naturally the service is more stable, but there forty-one per cent of the employees have served less than five years and sixty per cent less than ten years. The appointments made as a result of the examinations in the entire service are at the rate of about 2,100 per month. About twenty-two per cent of the entire service, and about ten per cent of the Departmental service in Washington, changes each year. The inefficient employee gives way to the efficient, or the efficient employee finds private work more profitable or more congenial.

The charge that the service is filled with superannuated clerks is unfounded. Sixty per cent of the employees are less than forty years old, and ninety-one per cent less than sixty years; in Washington fifty per cent are less than forty and eighty-seven per cent less than sixty.

*Second.*—It is not claimed that a competitive examination is an absolutely correct means of determining the qualifications of applicants, but it is the best means yet devised. The Civil Service Commission is constantly changing the character of the examinations to meet the special requirements of particular places. The experience of twenty years has shown definitely that the



average examination can be passed by any intelligent person who has had a common school education, and does afford a remarkably accurate basis for the determination of the relative ability of applicants.

As a result of the examination for the scientific and technical positions, there have been built up various corps of thoroughly trained men who have placed the scientific work of this Government in the forefront among the nations of the world. This has been particularly true, and the results have been of great practical value, in the Departments of Interior, Agriculture, and Commerce and Labor.

*Third.*—It is a mistake to suppose that the Civil Service Commission exists simply for the purpose of enforcing the law and rules. Its purpose is to provide the most efficient eligibles possible for every branch of the service. It looks to the good of the service, not to the mere enforcement of a rule. It is the barrier against the spoils system, but it does not protect the inefficient or dishonest employee.

The ideal Civil Service law should close the door to entrance into the public service except through a method which can be followed by any qualified person without political influence or favor, but leaves to the executive authorities the power to remove for any cause, other than political or religious. It is toward this ideal that the present Administration is working.

The business of the Government has grown in proportions not appreciated by the people at large. The executive Departments are made responsible for the expenditure of about \$600,000,000 annually. Such expenditures can be wisely and honestly made only by exercising the highest degree of business ability and selecting efficient, capable employees who will make good service to the government their ambition. President Roosevelt has proved that under his administration the business of government is so conducted. He has appointed men of recognized ability and judgment to carry on executive work. He has made no promises impossible of fulfillment. By precept and example he has inspired public officers to a higher sense of duty. He has shown that neither personal nor political influence can save the corrupt official from punishment. American citizens should remember and take to heart his words spoken at the unveiling of the Sherman statue:

"The most successful governments are those in which the average public servant possesses that variant of loyalty which we call patriotism, together with common sense and honesty. We can as little afford to tolerate a dishonest man in the public service as a coward in the army. The murderer takes a single life; the corruptionist in public life, whether he be bribe giver or bribe taker, strikes at the heart of the commonwealth. In every public service, as in every army, there will be wrongdoers, there will occur misdeeds. This can not be avoided; but vigilant watch must be kept, and as soon as discovered the wrongdoing must be stopped and the wrongdoers punished."

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**Protection steadily enlarges the home market for farm products.—Hon. L. R. Casey.**

**Well-paid wage-earners are generous consumers.—Former Senator Casey, in the American Economist.**

**The theory of free trade between nations is as fallacious, impracticable, and utterly absurd as is that of free love between families.—Hon. B. F. Jones.**

**We know our own minds and we have kept of the same mind for a sufficient length of time to give to our policy coherence and sanity.—President Roosevelt's speech accepting 1904 nomination.**

**It is true, as Peter Cooper well said: "No goods purchased abroad are cheap that take the place of our own labor and our own raw material."—H. K. Thurber, in the American Economist.**

**The dollar paid to the farmer, the wage-earner, and the pensioner must continue forever equal in purchasing and debt-paying power to the dollar paid to any Government creditor.—Maj. McKenley to Notification Committee, 1896.**

## RAILWAY REGULATION.

### Work of the Interstate Commerce Commission.

No more important or difficult task devolves upon the Government than the efficient regulation of our railway systems. The marvelous rapidity of their growth, their incomparable utility, the indispensable service they perform, the vast capital they represent, and the enormous amount of labor they employ all require their subjection to adequate public control. As the function of railway transportation becomes better understood and the dependence thereon of all other activities is more clearly perceived the greater will be the demand for securing to every citizen the right of fair and equal treatment in the use of these public facilities.

In nearly every civilized country except the United States and Great Britain the railroads are owned and operated by the several governments, and public ownership here is not without its advocates. This proposition, however, has not made any considerable headway and is not likely for a long time to become a political issue. It is a project at variance with our inherited ideas and the traditional spirit of our institutions. The dominant sentiment of our people is strongly in favor of allowing this service to be performed by private enterprise, yet so controlled and regulated as to secure reasonable charges and prevent discriminating practices. It is of the utmost consequence, therefore, that laws enacted for this purpose shall be vigorously and thoroughly enforced.

The first serious attempt at Federal railway control was the passage of the act to regulate commerce, commonly known as the interstate commerce law, in 1887. The administration of this law was committed to a commission of five members, of whom not more than three shall belong to the same political party; the commission was intended to be, and in fact has always been, strictly nonpartisan. Under this law and its various amendments the commission exercises such authority as has been conferred upon it by the Congress, and the results have been in the main highly satisfactory.

It must be remembered, however, that the Commission is an administrative and not a judicial body. It has no power to enforce its own orders, much less can it punish criminal offenders. It is practically dependent for success upon the vigilant cooperation of the Department of Justice. The civil remedies which this law provides must be enforced against disobedient carriers by suits in the Federal courts, while the criminal remedies afforded are wholly in the hands of the various United States attorneys under the direction of the Attorney-General. The efficiency and usefulness of the Commission must in the nature of the case be determined largely by the attitude and efforts of the Department of Justice.

Bearing these facts in mind, it is not easy to estimate the beneficial results which have been attained during the last few years. The Commission has been sustained and encouraged in its difficult work, and the law has been enforced with a degree of ability and success never before approached. Between the Department and the Commission the most cordial relations have constantly obtained, and they have acted together in harmonious effort and with a common purpose to promote the public welfare. The last report of the Commission, submitted to the Congress in December, 1903, closes with this significant statement:

"In conclusion the Commission takes pleasure in saying that the Department of Justice has promptly and cheerfully complied with every request for the prosecution of civil and criminal proceedings, and has in various ways materially aided the efforts of the Commission to enforce the regulating statutes."

This tribute from an independent and nonpartisan board to a Republican Attorney-General carries its own comment.

But this is by no means all that has been done during the present Administration. A Republican Congress has passed and a Republican President has approved amendments to the interstate commerce law which have greatly increased its efficacy and greatly aided the success of public regulation. As a means for the correction of transportation abuses these amendments have in fact re-



invigorated the law by removing defects and adding needful provisions. The regulating statute has been put upon a far more workable basis and the utility of this legislation has already been proven beyond doubt or question. This is particularly true of the Elkins law, so called, which was approved in February, 1903. Concerning this law the Commission in its last annual report makes the following statement:

"It has proved a wise and salutary enactment. It has corrected serious defects in the original law and greatly aided the attainment of some of the purposes for which that law was enacted. No one familiar with railway conditions can expect that rate-cutting and other secret devices will immediately and wholly disappear, but there is basis for a confident belief that such offenses are no longer characteristic of railway operations. That they have greatly diminished is beyond doubt, and their recurrence to the extent formerly known is altogether unlikely. Indeed, it is believed that never before in the railroad history of this country have tariff rates been so well or so generally observed as they are at the present time."

Only those familiar with the history of railway operations can fully appreciate the significance of this official declaration. It means that the announced charges of railway carriers are now in fact actually applied to large and small shippers alike. This is cause for public rejoicing. As everyone knows, the secret advantages heretofore secured by rebates and other forms of favoritism were the dishonest means by which large concerns often crushed out their smaller rivals. Nothing has so powerfully aided the aggressions of industrial trusts, nothing connected with these combinations has been so offensive and destructive, as the private bargains of one sort and another by which they secured lower freight rates than independent dealers were compelled to pay. This was the characteristic and odious evil of railway methods up to a recent date. Within the last two years this evil has been thoroughly suppressed. To a very great extent, to an extent which justifies the most favorable comment, the whole rebate business has been broken up and is rapidly disappearing. This is perhaps the greatest benefit that could be conferred upon the general business interests of the country. It gives each man the same opportunity and puts the small dealer on a footing of equality with his largest rival so far as transportation charges are concerned. It is difficult to realize the advance that has been made in this regard within a comparatively short time. The salutary provisions of the Elkins law, and the resolute and persistent efforts of the Attorney-General during the present administration, have practically removed the greatest and gravest of railroad abuses.

The important and most useful changes effected by the Elkins law are described by the Commission as follows:

In the first place, the recent amendment makes the railway corporation itself liable to prosecution in all cases where its officers and agents are liable under the former law. Such officers and agents continue to be liable as heretofore, but this liability is now extended to the corporation which they represent. This change in the law corrects a defect which has always been a source of embarrassment to the Commission, as has been explained in previous reports, because it gave immunity to the principal and beneficiary of a guilty transaction. As a practical matter, it is believed that much benefit will result from the fact that proceedings can now be taken against the corporation.

The amended law has abolished the penalty of imprisonment, and the only punishment now provided is the imposition of fines. As the corporation can not be imprisoned or otherwise punished for misdemeanors than by money penalties, it was deemed expedient that no greater punishment be visited upon the offending officer or agent. The various arguments in favor of this change have been stated in former reports and need not here be repeated. Whether the good results claimed by its advocates will be realized is by no means certain, but the present plan should doubtless be continued until its utility is further tested.

A further change has been effected by the act of 1903 which is of much importance. As the former law was construed by the courts, it was not sufficient to show that a secret and preferential rate had been allowed in a particular case; there had to be further proof of the payment of schedule charges, or at least higher charges than those in question, by some other person on like and contemporaneous shipments. That is, it was necessary to prove discrimination in fact as between shippers entitled to the same rates by reason of receiving the same service. The practical result of this construction was to render successful prosecutions extremely difficult, if not impossible, because the required evidence could rarely be secured, and this was particularly the case when there was an extensive demoralization of rates and consequently the most urgent occasion for the use of criminal remedies. Under



such circumstances it frequently happened that all shippers received substantially the same rates, much less, however, than the published tariff, and thus there was no actual discrimination. This aggravating defect appears to have been wholly cured, as the new law in most explicit terms makes the published tariff the standard of lawfulness, as respects criminal misconduct, and any departure therefrom is declared to be a misdemeanor. It is sufficient now, in order to make out a case of criminal wrongdoing, to show that a lower or different rate from that named in the tariff has been accorded. The effect of this amendment is to make the shipper liable whenever the carrier is liable, while either or both of them may be convicted by simply proving that the rate charged is not covered by the tariff applicable to the transaction.

The foregoing are the principal changes made by the Elkins law as respects the criminal remedies for prohibited practices. They relate solely to acts which are made misdemeanors and have no other application. The further provisions of this law, affecting what may be called civil remedies, are likewise important and may be briefly mentioned. One of these makes it lawful to include as parties, in addition to the carrier complained of, all persons interested in or affected by the matters involved in the proceedings; and this may be done both before the Commission and when suit is begun originally in the circuit court. Under the former law carriers only could be made parties defendant; under the amended law shippers also may be included. To what extent this change will prove advantageous the Commission does not undertake at this time to express an opinion.

The other and more essential provision of the character now referred to is the one which confers jurisdiction upon the circuit courts of the United States to restrain departure from published rates, or "any discriminations forbidden by law," by writ of injunction or other appropriate process. The writ or process thus authorized is enforceable as well against parties interested in the traffic as against the carrier. This provision disposes of a question which has been the subject of much controversy, and furnishes a comprehensive remedy which is believed to be of the greatest value.

During the last two years, also, the safety appliance laws have been improved by important amendments and by an act requiring reports of railway accidents. This humane legislation has proved of incalculable benefit to railroad employees. It safeguards their dangerous and responsible work, and at the same time gives added security to the millions of travelers. These are immense benefits to the public and to hundreds of thousands of the most intelligent and deserving working men in the country.

*Money in circulation in the United States July 1, 1904.*  
[Official statement of the Treasury Department.]

	General stock of money in the United States.	July 1, 1904.	†Held in Treasury as assets of the Government.	Money in circulation.		
				July 1, 1904.	July 1, 1903.	Jan. 1, 1897.
Gold coin (including bullion in Treasury.....)	\$1,326,722,701	\$215,329,753		\$646,586,319	\$621,545,146	\$96,262,850
*Gold certificates.....	.....	.....	.....	464,806,629	379,043,889	21,189,280
Standard silver dollars.....	560,083,544	25,943,145	.....	71,561,684	72,349,806	5,790,721
*Silver certificates.....	.....	.....	.....	462,578,715	455,079,538	413,360
Subsidiary silver.....	106,164,848	11,561,820	.....	94,603,028	92,195,600	67,982,601
Treasury notes of 1890.....	12,978,000	50,713	.....	12,927,287	19,109,670	.....
United States notes.....	346,681,016	12,189,039	.....	334,491,977	336,591,372	277,098,511
*Currency certificates, act of June 8, 1872.....	.....	.....	.....	.....	.....	33,190,000
National bank notes.....	449,235,095	15,639,207	.....	433,595,888	400,408,189	314,339,398
Total.....	2,801,865,204	280,713,677	280,713,677	2,521,151,527	2,376,323,210	816,266,721

Population of the United States July 1, 1904, estimated at 81,867,000; circulation per capita, \$30.80.

\*For redemption of outstanding certificates an exact equivalent in amount of the appropriate kinds of money is held in the Treasury, and is not included in the account of money held as assets of the Government.

†This statement of money held in the Treasury as assets of the Government does not include deposits of public money in National Bank Depositories, to the credit of the Treasurer of the United States, and amounting to \$106,078,822.73.

For a full statement of assets see Public Debt Statement.

## MERCHANT MARINE.

While American shipping in foreign trade has not yet again reached a rank commensurate with the country's needs or with its growth and greatness in other directions, American shipping and shipbuilding since the return of the Republican party to power have made good progress. The following table shows the total merchant tonnage (gross register tons) under the American flag, divided according to the trade in which engaged, on June 30 of each year named, and also the gain or loss for each period of four fiscal years, covering approximately the three latest national administrations:

### Total American Merchant Shipping.

On June 30—	Foreign Trade.	Coasting trade.	Sea fisheries.	Total.
1892 .....	977,624	3,700,773	86,524	4,764,921
1896 .....	829,833	3,790,296	83,751	4,703,880
1900 .....	816,795	4,286,516	61,528	5,164,839
1903 .....	879,264	5,141,037	67,044	6,087,345

### Gain or Loss in Four Years.

Period.	Foreign Trade.	Coasting Trade.	Sea fisheries.	Total.
1893-1896 .....	-147,791	89,523	- 2,773	-61,041
1897-1900 .....	- 13,038	496,220	-22,223	460,959
1901-1903 .....	*62,469	*854,521	*5,516	*922,506

\*Gain in three years. The returns for June 30, 1904, not yet completed, will show a total increase during the four years of nearly 1,100,000 gross tons, and about 1,000,000 gross tons in the coasting trade.

### American Tonnage Built During Recent Periods of Four Fiscal Years, Beginning June 30.

	Gross register tons.
1893-1896 inclusive.....	681,532
1897-1900 inclusive.....	1,106,518
*1901-1904 inclusive.....	1,769,742

The notable increase in American shipping during the eight years of Republican administration has been due to wise legislation as well as to general causes. The Porto Rican act of April 12, 1900, and the Hawaiian act of April 30, 1900, brought under the American flag 51,618 gross tons of shipping formerly belonging to those islands. By applying the coasting laws to trade between the United States and those islands the construction in American shipyards of steel steamers for those trades, aggregating about 140,000 gross tons, has been encouraged, involving an expenditure for labor and materials of fully \$15,000,000. Means of communication between these islands and the United States are better than ever before, freight rates are lower, and trade has increased. The first regular American steamship line around Cape Horn has been established and an American yard has built the largest steamer ever launched into the Pacific. By the Philippine act of April 15, 1904, trade between the United States and the Philippines after July 1, 1906, will be subject to the coasting laws. This act will doubtless lead to the establishment of the first regular American steamship line through the Suez Canal. Prudence dictated a date far enough in advance to permit the construction of ample American shipping for the trade, the necessary adjustment of tariff relations, and the registry under the American flag of 143,837 gross tons of shipping now owned in the Philippines.

The act of April 28, 1904, provides that vessels of the United States and no others shall be employed in the transportation by sea of supplies for the Army and Navy. This act is in accord with



the policy of England, Germany, and France, and strengthens American sea power and increases American shipbuilding.

The act of June 28, 1902, and the prompt action of President Roosevelt thereunder has put the United States in possession of the Panama Canal Zone, and the actual construction of the canal under American auspices has begun. The Panama Canal (discussed at page 265) will give a powerful stimulus to American shipping and shipbuilding. The distance from New York to San Francisco by the Straits of Magellan is 13,090 miles; by the Panama Canal it will be only 5,278 miles. The saving in distance between our Atlantic and Pacific ports will involve a great increase in the American coasting trade, increased shipbuilding and reduced freight charges by land and sea.

Mainly at the request of commercial and shipping interests Congress by act of February 14, 1903, created a Department of Commerce and Labor, charged with the duty of fostering, promoting, and developing the foreign and domestic commerce, shipping and fishery industries, the labor interests, and the transportation facilities of the United States.

The general policy entered upon by the Republican party in 1872 of exempting from duty imported materials to be used in American shipyards for vessels for the foreign trade has been extended by successive enactments until by the Dingley tariff of July 24, 1897, *all* imported materials for vessels in the foreign trade, or for their machinery, outfit and equipment and for their repairs, are admitted free of duty, and supplies for American vessels in foreign trade are free from customs duties or internal-revenue taxes.

The United States has always exerted its influence in favor of peace and the mitigation of the injuries caused by war to non-combatants. At the recommendation of the late President McKinley and President Roosevelt, Congress passed the following joint resolution, approved April 28, 1904:

"Resolved, By the Senate and House of Representatives of the United States of America in Congress assembled, That it is the sense of the Congress of the United States that it is desirable, in the interest of uniformity of action by the maritime states of the world in time of war, that the President endeavor to bring about an understanding among the principal maritime powers with a view of incorporating into the permanent law of civilized nations the principle of the exemption of all private property at sea, not contraband of war, from capture or destruction by belligerents."

#### **Legislation for Seamen.**

In recent years of Republican control of Congress and the executive departments the conditions of American labor at sea have been greatly improved by legislation. The act of December 21, 1898, provided a compulsory scale of provisions for seamen on American merchant vessels very much superior in quantity and quality to the food furnished to seamen on foreign vessels. It also provided for the prompter payment of wages, already much higher than on foreign ships, and for the return of wrecked, sick, or injured American seamen from abroad at the expense of the Federal government. Forecastle quarters on American ships are now equal to any on foreign ships and superior to most. Warm rooms are prescribed in cold weather. Government relief is extended to distressed American seamen in Alaska, Porto Rico, Hawaii, and the Philippines as well as in foreign ports. The penalty of imprisonment for the seaman's breach of a civil contract has been abolished, and all forms of corporal punishment prohibited under heavy penalties. Prompt trial of cases in which the seaman is a party has been provided. More rigid inspection at home and abroad of the seaworthiness of a vessel, the sufficiency of provisions, and the adequacy of the crew are now required by law. The act of December 21, 1898, imposes heavy penalties for sending an unseaworthy American ship to sea. The hulls of the larger sailing vessels are subjected to Government inspection and their masters and mates are required to stand Government tests of competency.

The evils of the "crimping" system, by which seamen have been cheated of their wages, have been combated by legislative enactment and administrative effort. Abuses of allotments of wages



have been reduced, under the act of December 21, 1898. Of that act the Supreme Court of the United States recently said:

"The story of the wrongs done to sailors in the larger ports, not merely of this nation but of the world, is an oft-told tale, and many have been the efforts to protect them against such wrongs. One of the most common means of doing these wrongs is the advancement of wages. Bad men lure them into haunts of vice, advance a little money to continue their dissipation, and having thus acquired a partial control and by liquor dulled their faculties, place them on board the vessel just ready to sail and most ready to return the advances. When once on shipboard and the ship at sea, the sailor is powerless and no relief is availing. It was in order to stop this evil, to protect the sailor, and not to restrict him of his liberty, that this statute was passed. And while in some cases it may operate harshly, no one can doubt that the best interests of seamen as a class are preserved by such legislation."

Already this year one crimp has been sentenced to five years' imprisonment and a fine of \$5,000; three have been sentenced each to 18 months' imprisonment and a fine of \$1,000; lesser penalties have been imposed in other cases, and still other cases are undergoing or awaiting trial. The acts of March 31, 1900, and April 13, 1904, providing stricter regulations for boarding incoming vessels, have reduced the opportunities for crimping.

### The Shipping Question.

Thus during the nearly eight years of complete Republican control of Congress and the executive departments American shipping and shipbuilding have developed rapidly under legislation beneficial alike to the interests of shipbuilders, shipowners, and seamen and to the general welfare of the whole country; but American ships still carry a diminishing proportion of our exports and imports. In 1892 they carried 12.3 per cent.; in 1896, 12 per cent.; in 1900, 9.3 per cent., and in 1903, 9.1 per cent. A merchant fleet is a national necessity, first to furnish the reserve transports and supply ships needed in war to supplement the Navy, and second to furnish the reserve seamen required to put the country on a war footing at sea, as the national guard of the States can put the country on a war footing ashore. The transportation of our ocean mails is a public service which should be intrusted as far as practicable to American steamers.

Ocean carrying in national ships promotes a country's commercial importance and its influence in the affairs of nations; it develops and diversifies home industries to the advantage of labor, and brings to home capital a fair return on investment. During the past twelve years the values of American exports and imports carried in American and foreign vessels have been as follows:

Year.	In American vessels.	In foreign vessels.	Total.	Per cent.
1892.....	\$220,173,735	\$1,564,558,808	\$1,784,732,543	12.3
1893.....	197,765,507	1,428,316,568	1,626,082,075	12.2
1894.....	195,268,216	1,273,022,456	1,468,290,672	13.3
1895.....	170,507,196	1,285,896,192	1,456,403,388	11.7
1896.....	187,691,887	2,377,973,521	1,565,665,408	12
1897.....	189,075,277	1,525,753,766	1,714,829,043	11
1898.....	161,328,017	1,582,492,479	1,743,820,496	9.3
1899.....	160,612,206	1,646,263,857	1,806,876,063	8.9
1900.....	195,084,192	1,894,444,424	2,089,528,616	9.3
1901.....	177,398,615	1,974,536,796	2,151,935,411	8.2
1902.....	185,819,987	1,919,029,314	2,104,849,301	8.8
1903.....	214,695,032	2,026,102,388	2,240,797,420	9.1

There are no wholly reliable figures of the amount paid in freights for ocean cargoes. The late authority on international statistics, Mulhall, estimated ten years ago that the earnings of ships amounted to about 8 per cent of the value of the cargoes. rates are subject to great fluctuations, and have been low the past two years. For 1903 the freights paid on American exports and imports were approximately \$140,000,000, of which American vessels received 9.1 per cent. Passenger fares exceed annually \$30,000,000 of late years.

Other nations for military, mail, and commercial purposes deem it important to promote their national shipping in foreign trade by national assistance. The annual grants for these purposes at the present time by the principal nations are substantially as follows:

**Subsidies to Shipping.**

Country.	Mail.	General.	Total.
Austria-Hungary.....	\$1,288,201	\$656,270	\$1,944,471
Denmark.....	82,455		82,455
France.....	5,019,703	3,623,720	8,643,423
Germany.....	1,825,651		1,825,651
Great Britain.....	4,874,243	662,369	5,536,612
Italy.....	1,757,812	1,061,639	2,819,451
Japan.....	2,865,831	76,465	2,942,296
Netherlands.....	367,468		367,468
Norway.....	48,338	89,218	137,556
Portugal.....	63,300		63,300
Russia.....		1,595,701	1,595,701
Spain.....	1,629,927		1,629,927
Sweden.....	81,849		81,849
Total.....	19,904,778	7,765,382	27,670,160

The British House of Commons in July, 1903, ratified a contract by which the British Government agrees to advance to the Cunard Company £1,300,000 for each of two mail steamers, the largest and fastest afloat, to be repaid in twenty years at 2¾ per cent. interest. During these twenty years the Government guarantees an annual subsidy of £150,000 and £68,000 additional for the mails. So important does England, the great shipping and naval power, deem fast ocean mail steamers that by this contract she practically gives to the Cunard Company the two finest ships which can be built, if the company will operate them as mail and auxiliary naval vessels.

The best means of restoring the American marine to the ocean has been a matter of long and thus far fruitless debate. On recommendation of President Roosevelt Congress on April 28, 1904, created a Merchant Marine Commission of five Senators and five Representatives, whose duty it is to investigate and report to the Congress on the first day of its next session what legislation is desirable for the development of the American merchant marine and American commerce, and also what change or changes, if any, should be made in existing laws relating to the treatment, comfort, and safety of seamen, in order to make more attractive the seafaring calling in the American merchant service. This commission is now engaged in obtaining the views of shipbuilders, shipowners, ship managers, and others engaged in the shipping industries at the great centers of the shipping trade, visiting all parts of the country where citizens having special knowledge on this subject through experience or otherwise are to be found. It is believed that the information which they will thus collect will aid Congress in determining what steps should be taken to develop the merchant marine of the country.

**PRESIDENTIAL RECOMMENDATIONS.**

Extract from President McKinley's message, December 3, 1900:

Foreign ships should carry the least, not the greatest, part of American trade. The remarkable growth of our steel industries, the progress of shipbuilding for the domestic trade, and our steadily maintained expenditures for the Navy have created an opportunity to place the United States in the first rank of commercial maritime powers.

Besides realizing a proper national aspiration this will mean the establishment and healthy growth along all our coasts of a distinctive national industry, expanding the field for the profitable employment of labor and capital. It will increase the transportation facilities and reduce freight charges on the vast volume of products brought from the interior to the seaboard for export, and will strengthen an arm of the national defense upon which the founders of the Government and their successors have relied.

Extract from President Roosevelt's message, December 3, 1901:

Shipping lines, if established to the principal countries with which we have dealings, would be of political as well as commercial benefit. From every standpoint it is unwise for the United States to continue to rely upon the ships of competing nations for the distribution of our goods. It should be made advantageous to carry American goods in American-built ships.

At present American shipping is under certain great disadvantages when put in competition with the shipping of foreign countries. Many of the fast foreign steamships, at a speed of fourteen knots or above, are subsidized, and all our ships, sailing vessels



and steamers alike, cargo carriers of slow speed and mail carriers of high speed, have to meet the fact that the original cost of building American ships is greater than is the case abroad; that the wages paid American officers and seamen are very much higher than those paid the officers and seamen of foreign competing countries, and that the standard of living on our ships is far superior to the standard of living on the ships of our commercial rivals.

Our Government should take such action as will remedy these inequalities. The American merchant marine should be restored to the ocean.

### **Causes of the Growth of Foreign Shipping and Decline of American Shipping for the Foreign Trade.**

The great causes of growth of foreign shipping and decline of American shipping for the foreign trade are well known. Great Britain began the payment of large sums to her shipowners in the forties, some in the guise of payments for carrying mails and some as direct subsidies. She was followed in this plan of encouraging the shipping interest by other European countries. This custom has grown until the annual payments to ships for mail services or as direct subsidies now amount to about 30 million dollars per annum, of which about 2 millions are paid by the United States. The sums paid by foreign governments to aid in developing their merchant marines since 1860 have aggregated many hundreds of millions of dollars. While these governments, chiefly those of Europe, have been developing their merchant marines at this enormous cost the Government and people of the United States were encouraging the development of our splendid railroad system, which now forms two-fifths of the railways of the world. During that same period the ocean transportation system was being entirely changed from the wooden and iron vessels to the modern steel screw propeller. The consequence was that the American vessels which existed before the civil war became almost useless in competition with the new style of vessels, and as American capital was busy with the more profitable work of developing the railways, the lake transportation and the coastwise transportation systems of the country, the ocean shipping was neglected. The Government aid which foreign lines obtained, together with cheapness in labor for building and operating vessels, enabled them to carry freights at such low rates that little incentive was offered to Americans to invest in shipbuilding, especially as cost of labor was and is much higher here than abroad, both in the building and operating of vessels. In the domestic commerce—along the coasts, upon the lakes—and on the rivers where foreign ships are not permitted to operate, American shipping has shown a healthy growth.

### **Views of Minister Barrett.**

In response to the request of the Congressional Merchant Marine Commission, Hon. John Barrett, United States Minister to Panama, and who has formerly been, respectively, United States Minister in Argentina and Siam, in addition to making a journey around the world as Commissioner-General of Foreign Affairs for the St. Louis Exposition, appeared before that body in Chicago, June 24, and made a statement based on his observations as a foreign representative of the United States and a traveler in many different countries. This statement, which was highly commended, not only by the friends but by the opponents of so called ship subsidies present, is summarized below. Mr. Barrett said:

I am not here to make any argument for or against ship subsidies, but to submit a few facts and suggestions based on my study of our foreign trade in many different countries and upon various seas. During the last ten years it has been my privilege to make three journeys around the world, twice while a Minister of the United States and once as Commissioner-General of the St. Louis Exposition. After what I have seen I would be lacking in patriotism and be unmindful of actual conditions if I did not urge that something should be done for the development of American shipping.

It does not seem that this is a question of so called "subsidies." It is rather a problem as to whether the United States Government is willing to pay certain sums for the carrying of the mails between ports of the United States and ports of foreign lands, just as it would pay a railroad company, a stage driver, or a mes-



senger to do the same service in the United States. The higher the expense for such transportation, and the greater the difficulties to be encountered, the more the United States should be willing to pay. Just as the Government, or an individual, pays a company, or a person, to do any work for it, in accordance with the conditions surrounding this undertaking, so the United States should take into consideration what are the conditions surrounding the carrying of the mails on comparatively fast steamers to distant ports of foreign lands. If the United States pays a certain man \$1,000 for carrying the mail one year in a stage coach between two towns in Vermont, or Colorado, so that people living in this section may have good service, it is difficult to understand why the same Government should not be willing to pay a proportionate amount to carry mails between, for instance, New York City and Buenos Aires, the great commercial entrepot of South America, and other important places in foreign lands. Without, however, going further into this argument, beyond simply emphasizing that I argue in favor of practical every-day methods being applied to American steamship service, without any regard to actual subsidies, I state now what supports me in my argument.

First: No one can dispute the importance of building up closer relations of commerce and friendship between the United States and the great staple countries of South America, like the Argentine Republic. The foreign trade of Argentina last year amounted to \$360,000,000, of which the share of the United States was only \$24,000,000, counting both exports and imports; the great proportion of the remainder was with European countries. Argentina is the United States of South America, and is destined in trade and influence to dominate all South America. Its capital city and chief port, Buenos Aires, has a population of one million, and is growing more rapidly than any city in the world, with the exception of New York and Chicago. When I left Buenos Aires in April, 1904, there were *seven* first-class fast mail and passenger steamship lines running between Buenos Aires and the principal ports of Europe, like Liverpool, Southampton, Hamburg, Bordeaux, Barcelona, Genoa, and Naples; there was *not a single line* of similar steamers between Buenos Aires and New York, or any North American port. In other words, there were almost two steamers per week of this kind, aside from a large regular freight fleet running between southern South America and Europe, while no direct mail or passenger steamers with fast freight facilities were leaving Buenos Aires for or coming from the United States. Expressed in another way, which should come home to every business man in the United States, the situation is this: A merchant or banker in Buenos Aires can write to Europe and get an answer within 55 days, but he can not write to the United States and obtain a reply in less than 75 or 90 days. It is needless to point out that such conditions are booming trade with Europe and depressing trade with the United States in a field that has a magnificent future.

Second: Just before leaving Argentina, General Roca, the President of that Republic, informally stated to me that Argentina stood ready to do her share in cooperation with the United States to pay a reasonable sum for the carrying of the mails between Buenos Aires and New York, in steamers which would also have passenger and fast freight facilities. He said that there was *no other influence that would do more than this to promote closer relations between the two great republics* of North and South America. The newspapers and all classes of men, irrespective of calling, are favorable to such legitimate payment for services that may be done by a steamship company, and can not understand why the United States will not do its part, especially when they believe that it would add millions and millions of dollars to American trade with South America. The reason why no steamship company can now afford to put on first-class vessels between New York and Buenos Aires is that it can not compete successfully against these European lines, most of which are paid well by the governments for carrying their mails, and which in some instances have entered into contracts with freight steamship lines between the United States and southern South America not to carry passengers, or put on fast mail and freight ships. They desire naturally not only to keep the business in Europe, but to

keep passengers, the number of which is increasing greatly every year, from coming to the United States instead of Europe. From reliable data placed in my hands I have reason to believe that 5,000 to 10,000 representative influential men of Argentina would come to the United States every year for trade and travel, and that our trade with that country would be increased 50 to 100 per cent per annum (or to \$40,000,000 to \$60,000,000 per annum, and even more) if such steamship service were established. In other words, if the United States were willing to join with Argentina and pay what might be termed a reasonable wage to a steamship company for carrying the mails between New York and Buenos Aires and other South American ports, like Rio Janeiro, Santos, and Montevideo, there would be a beginning of the end about all this talk of European trade controlling South America in trade and politics.

Third: During the last journey I made around the world, leaving San Francisco and going by the way of Japan, China, India, the Mediterranean, and Europe, I did not see in any important port along the highway of em a single large merchant vessel flying the American flag. There were, on the other hand, the flags of Great Britain, Germany, and France and often that of Japan. I need not enlarge upon this condition of affairs to prove that something should be done for the upbuilding of our merchant marine. There is something the matter somewhere! During the four years that I was United States Minister in Siam I never saw one American merchant vessel enter the harbor of Bangkok, which is one of the most prosperous and important cities of Southeastern Asia, with a large and growing trade with the outer world, but every day I witnessed vessels coming in and going out flying the flags of England, Germany, Japan, and not infrequently those of Norway, Sweden, and Denmark. There are to-day a half dozen fast mail and passenger steamers running between Europe and the east of Asia which are well paid by their governments for carrying the mail, while there is only one line flying the American flag between the west coast of the United States and the Orient. In harmony with this condition can be noted that the trade of Europe with Asia is six or seven times that of the United States. Ten years ago, when I first traveled up and down the coast of Asia, from Japan to India, I seldom if ever saw merchant vessels under the Japanese flag; to-day they can be found in almost every port, in addition to running to Europe and the United States. The Japanese Government and business men ascribe this wonderful development almost entirely to the liberal sums the Japanese Government voted to Japanese ships for carrying the mails in appropriate vessels.

*The world's production of pig iron from 1790 to 1902.*

Year.	United States.	Great Britain.	Germany.	France.	Various.	Total.
	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
1790 .....	30,000	68,000	30,000	40,000	110,000	278,000
1800 .....	40,000	190,000	40,000	60,000	130,000	460,000
1810 .....	55,000	250,000	46,000	85,000	180,000	616,000
1820 .....	110,000	400,000	90,000	140,000	270,000	1,010,000
1830 .....	180,000	680,000	120,000	220,000	385,000	1,585,000
1840 .....	290,000	1,390,000	170,000	350,000	480,000	2,680,000
1850 .....	560,000	2,250,000	402,000	570,000	640,000	4,422,000
1860 .....	820,000	3,830,000	530,000	900,000	1,100,000	7,180,000
1870 .....	1,670,000	5,960,000	1,390,000	1,180,000	1,710,000	11,910,000
1880 .....	3,840,000	7,750,000	2,730,000	1,730,000	2,090,000	18,140,000
1885 .....	4,050,000	7,420,000	2,690,000	1,630,000	2,310,000	19,100,000
1889 .....	7,600,000	8,250,000	4,530,000	1,720,000	3,060,000	25,160,000
1895 .....	9,446,000	7,703,000	5,465,000	2,006,000	4,247,000	28,867,000
1896 .....	8,623,000	8,660,000	6,271,000	2,302,000	5,001,000	30,857,000
1897 .....	9,652,000	8,796,000	6,771,000	2,444,000	5,267,000	32,930,000
1898 .....	11,773,000	8,610,000	7,196,000	2,485,000	5,808,000	35,872,000
1899 .....	13,620,000	9,421,000	8,013,000	2,537,000	6,464,000	40,055,000
1900 .....	13,789,000	8,960,000	8,384,000	2,671,000	6,686,000	40,490,000
1901 .....	15,878,000	7,929,000	7,754,000	2,351,000	6,886,000	40,798,000
1902 .....	17,821,000	8,680,000	8,393,000	2,367,000	*6,800,000	*44,061,000
1903 .....	18,009,000					

\*Partial estimate.

NOTE—Official figures for the United States, the United Kingdom, Germany and France. Figures for all other countries taken from the French and Swedish Mineral Statistics.



*Statement of number and tonnage of steam and sailing vessels of over 100 tons, of the principal countries of the world, as recorded in Lloyd's Register for 1903-4.*

Flag.	Steam.			Sail.	
	No.	Net tons.	Gross tons	No.	Net tons.
British:					
United Kingdom.....	7,530	8,233,721	13,410,894	1,622	1,478,677
Colonies.....	1,023	466,732	782,688	959	334,115
Total.....	8,553	8,700,453	14,193,582	2,581	1,812,792
American (United States):					
Sea.....	862	810,003	1,220,995	2,119	1,259,986
Lake.....	349	756,470	1,001,072	56	129,903
Total.....	1,211	1,566,473	2,222,067	2,175	1,389,889
Argentine.....	119	44,678	70,862	99	24,918
Austro-Hungarian.....	267	348,461	557,745	29	20,952
Belgian.....	112	103,459	156,559	2	488
Brazilian.....	288	84,110	132,107	90	22,979
Danish.....	385	283,490	483,968	414	97,279
Dutch.....	360	387,800	613,219	98	45,626
French.....	717	584,180	1,153,761	638	468,255
German.....	1,425	1,720,106	2,794,311	473	488,936
Greek.....	199	205,996	325,895	192	52,304
Italian.....	365	448,704	704,109	861	476,226
Japanese.....	544	366,232	585,542	1,042	141,276
Norwegian.....	962	570,869	935,229	1,256	718,511
Philippine Islands.....	92	27,035	43,138	37	8,261
Russian.....	573	354,539	578,343	726	231,305
Spanish.....	459	461,333	720,822	136	43,625
Swedish.....	750	308,623	502,581	764	218,535
Other countries:	32	13,874	23,330	15	5,333

## CONDITION OF AMERICAN MERCHANT MARINE 1860 TO 1903.

Years.	American vessels.				Registered tonnage of vessels passing through Sault Ste. Marie Canal.
	Built.	Engaged in foreign trade.	Engaged in domestic trade.	Engaged in commerce of Great Lakes.	
	Tons.	Tons.	Tons.	Tons.	Registered tons.
1860.....	214,797	2,546,237	2,807,631	467,774	403,657
1861.....	233,194	2,642,628	2,897,185	490,445	276,639
1862.....	175,075	2,291,251	2,830,913	563,260	359,612
1863.....	311,045	2,026,114	3,128,942	635,054	507,434
1864.....	415,740	1,581,894	3,404,506	700,673	571,438
1865.....	394,523	1,602,583	3,494,199	673,697	409,062
1866.....	336,146	1,492,926	2,817,852	573,912	458,530
1867.....	305,595	1,568,032	2,736,455	617,686	556,899
1868.....	285,304	1,565,732	2,786,027	695,604	432,563
1869.....	275,230	1,566,422	2,578,219	661,366	524,885
1870.....	276,953	1,516,800	2,729,707	684,704	690,826
1871.....	273,226	1,425,142	2,857,465	712,027	752,101
1872.....	209,052	1,410,648	3,027,099	724,493	914,735
1873.....	359,245	1,423,288	3,272,739	788,412	1,204,446
1874.....	432,725	1,428,923	3,371,729	842,381	1,070,857
1875.....	297,638	1,553,827	3,299,905	837,891	1,259,534
1876.....	203,585	1,592,821	2,686,637	613,211	1,541,676
1877.....	176,591	1,611,193	2,631,407	610,160	1,439,216
1878.....	235,503	1,629,048	2,583,717	604,656	1,667,136
1879.....	193,030	1,491,534	2,678,067	597,376	1,677,071
1880.....	157,409	1,352,810	2,715,224	605,102	1,734,890
1881.....	280,458	1,335,586	2,722,148	663,382	2,092,757
1882.....	282,269	1,292,294	2,873,639	711,269	2,468,088
1883.....	265,429	1,302,095	2,933,392	723,911	2,042,259
1884.....	225,514	1,304,221	2,967,008	733,069	2,997,837
1885.....	159,056	1,287,998	2,977,936	749,948	3,035,937
1886.....	95,453	1,111,179	3,019,957	762,560	4,219,397
1887.....	150,450	1,015,563	3,090,282	783,721	4,897,598
1888.....	218,086	943,784	3,248,132	874,102	5,130,659
1889.....	231,134	1,021,595	3,285,880	972,271	7,221,935
1890.....	294,122	946,695	3,477,802	1,063,063	8,454,435
1891.....	369,302	1,005,950	3,678,809	1,154,870	8,400,685
1892.....	199,633	994,676	3,770,245	1,183,582	10,647,203
1893.....	211,639	899,803	3,925,268	1,261,067	8,949,754
1894.....	131,195	916,180	3,767,849	1,227,400	13,110,366
1895.....	111,602	838,186	3,797,774	1,241,459	16,806,781
1896.....	227,096	844,954	3,858,926	1,324,067	17,249,418
1897.....	232,232	805,584	3,963,436	1,410,102	17,619,933
1898.....	180,458	737,709	4,012,029	1,437,500	18,622,754
1899.....	300,038	848,246	4,015,992	1,446,348	21,958,347
1900.....	393,790	826,694	4,338,145	1,565,587	22,315,834
1901.....	483,489	889,129	4,635,089	1,706,294	24,626,976
1902.....	468,833	882,555	4,915,347	1,816,511	31,955,582
1903.....	436,152	888,776	5,198,569	1,902,698	27,736,446



*Value of Foreign Carrying Trade of the United States in American and Foreign Vessels, etc.—Total United States Imports and Exports.*

[From the Statistical Abstract.]

Year ending June 30.	By sea.				By land vehicles.	Total by land and sea.
	In American vessels	In foreign vessels.	Total.	Per cent in American vessels		
	Dollars.	Dollars.	Dollars.		Dollars.	Dollars.
1860....	507,247,757	255,040,793	762,288,550	66.5	.....	762,288,550
1861....	381,516,788	203,478,278	584,995,066	65.2	.....	584,995,066
1862....	217,695,418	218,015,296	435,710,714	50.	.....	435,710,714
1863....	241,872,471	343,056,031	584,928,502	41.4	.....	584,928,502
1864....	184,061,486	485,793,548	669,855,034	27.5	.....	669,855,034
1865....	167,402,872	437,010,124	604,412,996	27.7	.....	604,412,996
1866....	325,711,861	685,226,691	1,010,938,552	32.2	.....	1,010,938,552
1867....	297,834,904	581,330,403	879,165,307	33.9	.....	879,165,307
1868....	297,981,573	550,546,074	848,527,647	35.1	.....	848,527,647
1869....	289,956,772	586,492,012	876,448,784	33.2	.....	876,448,784
1870....	352,969,401	638,927,488	991,896,889	35.6	.....	991,896,889
1871....	353,664,172	755,822,576	1,109,486,748	31.9	22,985,510	1,132,472,258
1872....	345,331,101	839,346,362	1,184,677,463	29.2	27,650,770	1,212,328,233
1873....	346,306,592	966,722,651	1,313,029,243	26.4	27,869,978	1,340,899,221
1874....	350,451,994	939,206,106	1,289,658,100	27.2	23,022,540	1,312,680,640
1875....	314,257,792	884,788,517	1,199,046,309	26.2	20,388,235	1,219,434,544
1876....	311,076,171	813,354,987	1,124,431,158	27.7	18,473,154	1,142,904,312
1877....	316,660,281	856,920,536	1,176,580,817	26.9	17,464,810	1,194,045,627
1878....	313,050,906	879,991,129	1,190,042,035	26.3	20,477,364	1,210,519,399
1879....	272,015,692	911,269,232	1,183,284,924	23.	19,423,685	1,202,708,609
1880....	258,346,577	1,224,265,434	1,482,612,011	17.4	20,981,393	1,503,593,404
1881....	250,586,470	1,269,002,983	1,519,589,453	16.5	25,452,521	1,545,041,974
1882....	227,229,745	1,212,978,769	1,440,208,514	15.8	34,973,317	1,475,181,831
1883....	240,420,500	1,258,506,924	1,498,927,424	16.	48,092,892	1,547,020,316
1884....	233,699,035	1,127,798,199	1,361,497,234	17.2	46,714,068	1,408,211,302
1885....	194,865,743	1,079,518,566	1,274,384,309	15.3	45,332,757	1,319,717,064
1886....	197,349,503	1,073,911,113	1,271,260,616	15.5	43,700,350	1,314,960,966
1887....	194,356,746	1,165,194,508	1,359,551,254	14.3	48,951,725	1,408,502,979
1888....	190,857,473	1,174,697,321	1,365,554,794	14.	54,356,827	1,419,911,621
1889....	203,805,108	1,217,063,541	1,420,868,649	14.3	66,664,378	1,487,533,027
1890....	202,451,086	1,371,116,744	1,573,567,830	12.9	73,571,263	1,647,139,093
1891....	206,459,725	1,450,081,087	1,656,540,812	12.5	72,856,194	1,729,397,006
1892....	220,173,735	1,564,559,651	1,784,733,386	12.3	72,947,224	1,857,680,610
1893....	197,765,507	1,428,316,568	1,626,082,075	12.2	87,984,041	1,714,066,116
1894....	195,268,216	1,273,022,456	1,468,290,672	13.3	78,844,522	1,547,135,194
1895....	170,507,196	1,285,896,192	1,456,403,388	11.7	83,104,742	1,539,508,130
1896....	187,691,887	1,377,973,521	1,565,665,408	12.	96,666,204	1,662,331,612
1897....	189,075,277	1,525,753,766	1,714,829,043	11.	100,894,925	1,815,723,968
1898....	161,328,017	1,582,492,479	1,743,820,496	9.3	103,711,488	1,847,531,984
1899....	160,612,206	1,646,263,857	1,806,876,063	8.9	117,295,728	1,924,171,791
1900....	195,084,192	1,894,444,424	2,089,528,616	9.3	154,895,650	2,244,424,266
1901....	177,398,615	1,974,536,796	2,151,935,411	8.2	159,001,745	2,310,937,159
1902....	185,819,987	1,919,029,314	2,104,849,301	8.8	180,191,048	2,285,040,346
1903....	214,695,032	2,026,106,388	2,240,801,420	9.1	205,059,496	2,445,860,916

**A full day's work must be paid in full dollars.—Major McKinley, at Canton, 1896.**

**"I believe that the protective system has been a mighty instrument for the development of our national wealth and a most powerful agency in protecting the homes of our workingmen."—Harrison.**

**"To increase production here, diversify our productive enterprises, enlarge the field and increase the demand for American workmen; what American can oppose these worthy and patriotic objects?"—McKinley.**

**"Every citizen of the United States has an interest and a right in every election within the Republic where national representatives are chosen. We insist that these laws relating to our national elections shall be enforced, not nullified."—Garfield.**

**"A currency worth less than it purports to be worth will in the end defraud not only creditors but all those who are engaged in legitimate business, and none more surely than those who are dependent upon their daily labor for their daily bread."—Hayes.**

**"The right of railway corporations to a fair and profitable return upon their investments and to reasonable freedom in their regulations must be recognized; but it seems only just that, so far as its constitutional authority will permit, Congress should protect the people at large in their interstate traffic against acts of injustice which the State governments are powerless to prevent."—Arthur.**

*Subsidies and Payments for the Ocean Mail Service of Great Britain and the United States from 1848 to 1903.*

[Compiled from official sources.]

Year.	Great Britain.	United States.		
		Mail payments.		Total amount paid.
		To American steamers.	To foreign steamers.	
1848	\$3,250,000	\$100,500		\$100,500
1849	3,180,000	235,086		235,086
1850	5,313,985	619,924		619,924
1851	5,380,000	1,465,818		1,465,818
1852	5,510,635	1,655,241		1,655,241
1853	5,805,400	1,880,273		1,883,273
1854	5,950,559	1,903,286		1,903,286
1855	5,741,633	1,936,715		1,936,715
1856	5,713,560	1,886,766		1,886,766
1857	5,133,485	1,589,153		1,589,153
1858	4,679,415	1,177,303	\$33,758	1,211,061
1859	4,740,179	1,079,220	125,350	1,204,570
1860	4,349,760	707,245	147,085	854,330
1861	4,703,285	570,953	235,932	896,885
1862	4,105,353	80,683	293,932	374,618
1863	4,188,275	79,397	336,677	416,074
1864	4,503,050	64,356	376,085	440,441
1865	3,981,995	66,572	498,856	475,428
1866	4,227,018	245,605	468,324	713,929
1867	4,079,966	411,065	456,138	867,203
1868	4,047,586	625,239	390,907	1,016,146
1869	5,481,690	757,964	343,726	1,101,690
1870	6,107,761	791,389	315,944	1,115,333
1871	6,070,741	699,661	275,364	975,025
1872	5,693,500	805,788	221,103	1,026,891
1873	5,665,296	815,400	228,757	1,044,157
1874	5,697,346	750,296	238,098	988,394
1875	4,860,000	740,361	236,283	976,644
1876	4,420,261	580,063	173,547	756,610
1877	3,976,580	283,835	162,061	448,896
1878	3,914,990	40,152	159,828	199,980
1879	3,768,230	41,251	158,775	200,026
1880	3,873,136	38,780	161,029	199,809
1881	3,601,350	42,552	197,515	240,067
1882	3,538,835	40,645	239,856	280,501
1883	3,608,800	48,077	268,281	316,358
1884	3,608,355	53,170	279,051	332,321
1885	3,612,065	49,048	282,855	331,903
1886	3,662,805	43,319	286,072	329,391
1887	3,625,915	76,727	335,946	412,673
1888	3,490,864	86,890	376,528	463,418
1889	3,184,425	109,828	505,573	515,401
1890	3,827,260	120,170	420,507	510,677
1891	4,142,139	147,561	443,204	590,765
1892	4,277,972	259,788	478,748.95	738,537.51
1893	4,328,501	646,031	495,630.87	1,141,662.69
1894	4,442,361	711,443	461,956.87	1,173,400.80
1895	4,574,805	633,035	429,856.67	1,062,892.56
1896	4,450,317	1,027,735	394,636.60	1,422,372.50
1897	4,516,583	1,288,674	392,670.18	1,681,344.40
1898	4,716,397	1,038,141	437,882.06	1,478,023.21
1899	4,801,028	998,211	487,038.24	1,485,250.09
1900	4,743,000	1,269,660	518,954	1,788,614
1901	4,371,000	1,250,381	575,666	1,826,047
1902	4,017,000	1,525,313	556,195	2,081,508
1903	5,536,612	1,611,794	597,940	2,209,735

Resuscitation will not be promoted by recrimination. The distrust of the present will not be relieved by a distrust of the future. A patriot makes a better citizen than a pessimist.—President McKinley before Manufacturers' Club, Philadelphia, June 2, 1897.

While American labor is more efficient and more productive than labor elsewhere, it yet remains incontestibly true that there are thousands of commodities which can not be made by our artisans in competition with low-priced labor elsewhere.—Hon. Henry M. Hoyt.

"The present phenomenal prosperity has been won under a tariff made in accordance with certain fixed principles, the most important of which is an avowed determination to protect the interests of the American producer, business man, wage-worker, and farmer alike."—Roosevelt.

## PENSIONS.

### The Record of the Republican Party in Behalf of the Soldier.

The first duty of a nation is to care for its defenders. Those who leave the paths of peace and bare their breasts to the storms of war when their country's peril calls have an abiding lien upon the sympathy and gratitude of that country when disabled, old, and poor. This is Republican doctrine, and that it is no idle pretense, no flimsy generality, the records of the 40 years since the thunder of the guns that defended the Union were silenced in victory have abundantly proved. Our splendid pension system which has no precedent in the world's history, and no peer in justice and generosity among the nations of the earth, is a distinctively Republican institution, not one feature of which is due to or has ever been claimed by the Democratic party.

The official statements herewith presented will verify the boast of the Republican party that it has not failed to redeem every promise made in the dark hours of that great struggle of the last century, the promise to care for the soldier, for his widow, and for his children.

The total number of original pension claims allowed from 1862 to June 30, 1903, is 1,782,213.

To this will be added during the current fiscal year probably 50,000 more, making more than one million eight hundred thousand and cared for "soldiers, their widows, and their children."

The number of original pension issues from 1862 to 1903, inclusive, is:

Year	Applica- tions	Claims allowed	Year	Applica- tions	Claims allowed
1862.....	2,487	462	1884.....	41,785	34,192
1863.....	49,332	7,884	1885.....	40,918	35,767
1864.....	53,599	39,487	1886.....	49,895	40,837
1865.....	72,684	40,171	1887.....	72,465	55,194
1866.....	65,256	50,177	1888.....	75,726	60,252
1867.....	36,753	36,482	1889.....	81,220	51,921
1868.....	20,768	28,921	1890.....	105,044	66,637
1869.....	26,066	23,196	1891.....	696,941	156,486
1870.....	24,851	18,221	1892.....	246,638	224,047
1871.....	43,969	16,562	1893.....	119,361	121,630
1872.....	26,391	34,333	1894.....	57,141	39,085
1873.....	18,303	16,052	1895.....	45,361	39,185
1874.....	16,734	10,462	1896.....	42,244	40,374
1875.....	18,704	11,152	1897.....	50,585	50,101
1876.....	23,523	9,977	1898.....	48,732	52,648
1877.....	22,715	11,326	1899.....	53,881	37,077
1878.....	44,587	11,962	1900.....	51,964	40,645
1879.....	57,118	31,346	1901.....	58,373	44,868
1880.....	141,466	19,545	1902.....	47,965	40,173
1881.....	31,116	27,394	1903.....	52,325	40,136
1882.....	40,939	27,664			
1883.....	48,776	38,162	Total.....	2,924,701	1,782,213

In the report for 1902 it was suggested that the number of pensioners would reach 1,000,000. The following table gives the monthly report of pensioners during the fiscal year of 1903, and also the number dropped by death:

	Number of pensioners on the rolls	Number of pensioners dropped by death
June 30, 1902.....	999,446	.....
July 31, 1902.....	1,001,494	2,026
August 31, 1902.....	1,000,530	3,890
September 30, 1902.....	1,000,732	2,151
October 31, 1902.....	1,000,392	3,144
November 30, 1902.....	999,394	3,326
December 31, 1902.....	998,932	3,029
January 31, 1903.....	998,954	2,865
February 28, 1903.....	997,414	3,933
March 31, 1903.....	996,686	3,333
April 30, 1903.....	995,088	4,326
May 31, 1903.....	995,819	3,482
June 30, 1903.....	996,545	5,402
Total.....		40,907



It is not probable that the pension roll will again cross the million line. The high-water mark was on July 31, 1902.

The number of pensioners upon the rolls July 1, 1903, and for four preceding years, respectively, is as follows:

Wars	1903	1902	1901	1900	1899
War, Revolutionary:					
Widows.....	2	4	4	4	4
Daughters.....	3	4	5	7	7
War of 1812					
Survivors.....	1	1	1	1	1
Widows.....	1,115	1,317	1,527	1,742	1,998
Indian wars:					
Survivors.....	1,565	903	1,086	1,370	1,656
Widows.....	3,169	3,320	3,479	3,739	3,899
Mexican war:					
Survivors.....	5,964	6,828	7,568	8,352	9,204
Widows.....	7,910	8,017	8,109	8,151	8,175
Service after Mar. 4, 1861:					
General laws—					
Army invalids.....	264,139	277,965	293,186	305,980	316,834
Army widows.....	86,866	87,046	86,504	88,463	90,597
Navy invalids.....	4,142	4,360	4,489	4,622	4,721
Navy widows.....	2,221	2,263	2,298	2,314	2,293
Army nurses.....	624	634	650	646	653
Act June 27, 1890—					
Army invalids.....	427,711	426,188	422,481	415,265	405,987
Army widows.....	155,249	148,201	138,490	129,412	124,127
Navy invalids.....	16,010	15,953	15,633	15,392	14,925
Navy widows.....	6,992	6,977	6,621	6,314	6,139
War with Spain:					
General laws—					
Army invalids.....	8,798	6,282	3,344	822	117
Army widows.....	3,488	2,727	1,981	845	165
Navy invalids.....	402	329	211	60	6
Navy widows.....	174	127	68	28	11
Total.....	996,545	999,446	997,735	993,529	991,519

#### The Burden of Pensions.

The cost of the pension system is made the burden of complaint by our Democratic brethren in and out of Congress.

While \$140,000,000 per year is, technically, somewhat of a burden, it is so slight compared with the wealth of the nation that it ceases to be an argument.

The official figures will exhibit this in detail.

The cost of the pension system per capita of population for each year since 1889 and the proportion it sustains to the wealth of the United States are as follows:

Year.	Number of pensioners.	Total cost of pension system.	Total population.	Cost per capita of population.
89.....	489,725	\$92,309,688 98	61,289,000	\$1.51
90.....	537,944	109,620,232.52	62,622,250	1.75½
91.....	676,160	122,013,326.94	63,844,000	1.91
92.....	876,068	144,292,812.91	65,086,000	2.22
93.....	966,012	161,774,372.86	66,349,000	2.44
94.....	969,544	143,950,702.48	67,632,000	2.13
95.....	970,524	144,150,314.51	68,934,000	2.09
96.....	970,678	142,212,080.07	70,254,000	2.02
97.....	976,014	143,937,500.42	71,592,000	2.01
98.....	993,714	148,765,971.26	72,947,000	2.04
99.....	991,519	142,502,570.68	74,318,000	1.92
00.....	993,529	142,303,837.39	76,303,387	1.86½
01.....	997,735	142,400,279.28	77,647,000	1.84
02.....	999,446	141,335,646.95	79,003,000	1.79
03.....	996,545	141,752,870.50	80,847,000	1.75

The pension system was and is a burden on the aggregate wealth of the United States as follows:

Year.	Aggregate wealth of the United States.	Cost of pension system per \$1,000.
90.....	\$65,037,091,000	\$1.40
93.....	a 72,200,000,000	2.24
95.....	77,000,000,000	1.90
00.....	94,300,000,000	1.50
03.....	a 107,200,000,000	1.32

a Estimated.

The pension system was the greatest as a burden to the people of the United States in 1893, since which time the burden has been constantly decreasing until it has shrunk in ten years from \$2.24 to \$1.32 per \$1,000 of taxable wealth. In ten years more the burden will cease to be noticed.

The disbursements for pensions by the United States from July 1, 1790, to June 30, 1865, were \$96,445,444.23.

The total of pensions and expenses from the latter date to the present is, with the number of pensioners, as follows:

Year.	Paid as pensions.	Cost, maintenance, and expenses.	Total.	Number of pensioners.
1866.....	\$15,450,549.88	\$407,165.00	\$15,857,714.88	126,722
1867.....	20,784,789.69	490,977.35	21,275,767.04	155,474
1868.....	23,101,509.36	553,020.34	23,654,529.70	169,643
1869.....	28,513,247.27	564,526.81	29,077,774.08	187,963
1870.....	29,351,488.78	600,997.86	29,952,486.64	198,686
1871.....	28,518,792.62	863,079.00	29,381,871.62	207,495
1872.....	29,762,746.81	951,253.00	30,703,999.81	232,189
1873.....	26,982,063.89	1,003,200.64	27,985,264.53	238,411
1874.....	30,206,778.99	966,794.13	31,173,573.12	236,241
1875.....	29,270,404.76	982,695.35	30,253,100.11	234,821
1876.....	27,936,209.53	1,015,078.81	28,951,288.34	232,137
1877.....	28,182,821.72	1,034,459.33	29,217,281.05	232,104
1878.....	26,786,009.44	1,032,500.09	27,818,509.53	223,998
1879.....	33,664,428.92	837,734.14	34,502,163.06	242,755
1880.....	56,689,229.08	935,027.28	57,624,256.36	250,802
1881.....	50,583,405.35	1,072,059.64	51,655,464.99	268,830
1882.....	54,313,172.05	1,466,236.01	55,779,408.06	285,697
1883.....	60,427,573.81	2,591,648.29	63,019,222.10	303,658
1884.....	57,912,387.47	2,835,181.00	60,747,568.47	322,756
1885.....	65,171,937.12	3,392,576.34	68,564,513.46	345,125
1886.....	64,091,142.90	3,245,016.61	67,336,159.51	365,783
1887.....	73,752,997.08	3,753,400.91	77,506,397.99	406,007
1888.....	78,950,501.67	3,515,057.27	82,465,558.94	452,557
1889.....	88,842,726.58	3,466,968.40	92,309,688.98	489,725
1890.....	106,093,850.39	3,526,382.13	109,620,232.52	537,944
1891.....	117,312,690.50	4,700,636.44	122,013,326.94	676,160
1892.....	139,394,147.11	4,898,665.80	144,292,812.91	876,068
1893.....	156,906,637.94	4,867,734.42	161,774,372.36	966,012
1894.....	139,986,726.17	3,963,976.31	143,950,702.48	969,544
1895.....	139,812,294.30	4,338,020.21	144,150,314.51	970,524
1896.....	138,220,704.46	3,991,375.61	142,212,080.07	970,678
1897.....	139,949,717.35	3,987,783.07	143,937,500.42	976,014
1898.....	144,651,879.80	4,114,091.46	148,765,971.26	993,714
1899.....	188,355,052.95	4,147,517.73	142,502,570.68	991,519
1900.....	138,462,130.65	3,841,706.74	142,303,837.39	993,529
1901.....	138,531,483.84	3,868,795.44	142,400,279.28	997,735
1902.....	137,504,267.99	3,831,378.96	141,335,646.95	999,446
1903.....	137,759,653.71	3,993,216.79	141,752,870.50	996,545
Total.....	\$2,942,178,145.93	\$95,647,934.71	\$3,037,826,080.64	.....

Total number of pensions June 30, 1903, was 996,545. The number now is practically the same.

The following table shows the number of pensions, and the monthly rate thereof:

Rate.	Number of pensions.	Rate.	Number of pensions.
\$6 and under.....	129,614	From \$25 to \$30, inclusive....	14,472
From \$6 to \$8, inclusive.....	344,620	From \$30 to \$36, inclusive....	540
From \$8 to \$10, inclusive.....	83,696	From \$36 to \$45, inclusive....	3,536
From \$10 to \$12, inclusive.....	296,084	From \$45 to \$50, inclusive....	3,254
From \$12 to \$14, inclusive.....	22,926	From \$50 to \$72, inclusive....	3,787
From \$14 to \$15, inclusive.....	3,782	From \$72 to \$100, inclusive....	77
From \$15 to \$16, inclusive.....	9,034	At \$125 .....	1
From \$16 to \$17, inclusive.....	43,784	At \$166 $\frac{2}{3}$ .....	3
From \$17 to \$18, inclusive.....	736	At \$208 $\frac{1}{3}$ .....	1
From \$18 to \$20, inclusive.....	7,316	At \$416 $\frac{2}{3}$ .....	2
From \$20 to \$24, inclusive.....	26,216		
From \$24 to \$25, inclusive.....	3,114	Total.....	996,545

The average value of a pension is \$133.49.

Over one-half of the pensions are \$10 or under.

In addition to caring for the disabled soldier the Republican party has also provided for his widow and children. One provision of the well known act of May 9, 1900, is deserving of special consideration. It provides for the well-being of insane, idiotic, or otherwise helpless children, physically or mentally, of

the deceased soldiers, by pensioning them *during life*, unless they recover from such disability. Such a provision for the helpless children of soldiers is elsewhere unknown in the world.

Of the recent enactments for the benefit of the Republic's defenders the Republican party has pride in referring to these generous provisions:

Act of January 15, 1903, providing a pension of \$40 per month for total loss of hearing.

Act of February 28, 1903, providing for restoration to the rolls of a pensioned widow who had remarried and whose second husband has died or from whom she has been divorced without fault upon her part.

Act of March 2, 1903, providing generous increase of pension to those who have lost limbs in the service, the rates running from \$40 to \$100 per month, according to the disability.

Act of March 3, 1903, providing an increase of pension to \$12 per month to all Mexican war survivors.

The survivors of all the Indian wars and disturbances were provided for by the act of June 27, 1902, as well as their widows. (Wars, etc., up to 1856.)

#### Order 78.

No single act of this Administration has aroused such determined opposition from the Democratic minority in Congress as the order of the Commissioner of Pensions, cordially approved by the Secretary of the Interior and the President, bringing within the benefits of the pension laws all veterans who have reached the age of 62 years and over in these terms:

"(1) In the adjudication of pension claims under said act of June 27, 1890, as amended, it shall be taken and considered as an evidential fact, **if the contrary does not appear**, and if all other legal requirements are properly met, that when a claimant has passed the age of 62 years he is disabled one-half in ability to perform manual labor and is entitled to be rated at six dollars per month; after 65 years at eight dollars per month; after 68 years at ten dollars per month, and after 70 years at twelve dollars per month.

"(2) Allowances at higher rate, not exceeding twelve dollars per month, will continue to be made as heretofore, where disabilities other than age show a condition of inability to perform manual labor.

"(3) This order shall take effect April 13, 1904, and shall not be deemed retroactive. The former rules of the office fixing the minimum and maximum at 65 and 75 years, respectively, are hereby modified as above."

As will be noticed, this is not new legislation, as opponents of the system contend, but a construction of the act, which is within the always acknowledged competency of the Department.

#### THE DEMOCRATIC RECORD ON PENSION LEGISLATION.

Following the Republican lead it has been a habit with Democratic conventions to insert in their platforms a perfunctory plank in favor of "liberal pensions to our brave soldiers." The insincerity of this forced public recognition of the services of the republic's defenders is apparent from the most cursory review of that party's performance when opportunity was offered to make good. On the fourteen most important measures, constituting the pension law as it exists today, the record shows a total vote as follows:

Democrats, for the bills .....	417.
Democrats, against the bills .....	648.
Republicans, for the bills .....	1,068.
Republicans, against the bills .....	None.

In line with this showing made by the last Democratic Administration when 8,694 pensioners were dropped from the rolls and 23,702 pensions were reduced. Why? Because, forsooth, after from one to four years marching, fighting, starving, freezing, it was alleged that they were not found sufficiently disabled to hold the pensions which a Republican Administration had given them.



### General Sickles on the Old Age Pension Order.

The following correspondence between General O. O. Howard and General Daniel E. Sickles is self-explanatory:

BOSTON, MASS., *June 5, 1904.*

DEAR GENERAL SICKLES:

When you and I were on railroad coach the other day, in answer to some statements of the Commissioner of Pensions, you said in substance that his recent pension order was a good one for all concerned, and you made a very clear and concise demonstration that this said order was thoroughly legal, a proper interpretation and application of existing statute laws.

Would you be willing to put in writing for my use and information substantially what you said?

Ever, very truly; yours,

(Signed) O. O. HOWARD.

Major-General O. O. HOWARD, U. S. A.

DEAR GENERAL: Complying with your request, I have much pleasure in recapitulating the views expressed by me the other day about the recent pension order of President Roosevelt.

The Constitution commands the President to "take care that the laws be faithfully executed." Congress, in the organization of the Pension Office, imposed upon the President the duty of supervising the execution of the pension laws. It is the only bureau in the Government placed under the immediate direction of the President by an act of Congress.

Order No. 78, dated March 15, 1904, which recognizes old age as a disability incapacitating a soldier or sailor to earn a living by manual labor, and therefore entitling him to a graduated pension under the act of June 27, 1890, is sustained by precedent and law, and is one of the wisest acts of President Roosevelt's Administration.

You and I have heard this order denounced as a usurpation of legislative authority by the executive. These critics forget that Judge Lochran, President Cleveland's Commissioner of Pensions, by his order of September 2, 1893, gave the same effect to the act of 1890, fixing, however, the age of 75 as the period of disability. The legality of Judge Lochran's order was not questioned.

President McKinley's Secretary of the Interior, in July, 1897, established the rule that "a claimant for pension under the act of June 27, 1890, who has attained the age of sixty-five years, shall be entitled to at least the minimum rate of pension (six dollars a month) provided by that act." This order of President McKinley was not disputed.

President Roosevelt's Commissioner of Pensions, Col. Ware, in his now famous Order No. 78, approved by the Secretary of the Interior, Mr. Hitchcock, directs that "when a claimant under the act of June 27, 1890, has passed the age of 62 years he is disabled one-half in ability to perform manual labor and is entitled to be rated at six dollars per month," the minimum pension; "after 65 years at eight dollars per month; after sixty-eight years at ten dollars per month, and after 70 years at twelve dollars per month," the maximum.

Each of these orders is based upon the same interpretation of the act of June 27, 1890. If Cleveland and McKinley were right, Roosevelt is right.

It is the common experience of mankind that old age unfits one to earn a living by manual labor. Who will give a job of hard work to a man over sixty? We have seen that our Pension Office has for many years recognized old age as a legal "disability," affecting the fitness of a veteran soldier or sailor to earn a support. President Roosevelt declares this inability begins at the age of sixty-two. That is true,—and Roosevelt has the same authority to fix the pensionable period as Cleveland and McKinley had when they were in power. Officers of the Navy are retired from service at that age; Army officers are retired at sixty-four. Congress determines these periods. In 1887 Congress directed that all of our soldiers who served in the Mexican War, who were over sixty-two years of age, should be placed on the pension roll, giving them eight dollars a month—two dollars more per month than is allowed by Order No. 78 to the civil war soldiers of the same age. The President followed these analogous cases.

The Almighty Ruler has enacted that the great mass of mankind are seriously disabled from earning a support by manual labor at sixty-two years, and President Roosevelt and the Pension Bureau have only recognized that law in determining that the pension of a veteran for disability, under the act of June 27, 1890, shall begin at that age, at the rate of six dollars a month and be increased gradually, until, at the age of seventy, twelve dollars a month is allowed. As Senator Spooner well said: "Service in the Army is a draft upon the future which must be honored in old age." The average age of the survivors is now between sixty-two and sixty-five years. Many a soldier or sailor in one day of battle does the work of years. Veteran soldiers and sailors feel the infirmities of age sooner than the average man.

Is the Roosevelt order censurable because it says that the disabilities of old age begin at sixty-two and culminate at seventy? Why was not Cleveland denounced for the Pension Office Order of 1893?

Is it because seventy-five years was fixed as the pensionable age? Why was not McKinley denounced for the Pension Office Order of 1897? Is it because sixty-five years was fixed as the pensionable age? If Roosevelt's order is a usurpation of legis-

lative authority, then Cleveland and McKinley are "particeps criminis"—equally guilty. But nobody ever complained of these acts of Roosevelt's predecessors. It is only our strenuous, young Hotspur, now President, who is found to be in fault in following the footsteps of his predecessors?

Are these acts of Cleveland, McKinley, and Roosevelt lawful? Yes. It is a long-established rule of our courts that in construing a law which is to be applied by the Executive Department of the Government, the courts will sanction and accept the practical operation and effect given to the statute by those charged with the duty of putting it in force, unless such interpretation of the law is repugnant to its plain intent and meaning. For ten years the Government has regarded old age as a disability entitling a soldier or sailor of the civil war to a pension under the act of June 27, 1890, which grants pensions to those who are unable to support themselves by manual labor. Congress has uniformly appropriated the money necessary to pay these old age pensions. These appropriations are all recognitions and approvals of the executive action granting old age pensions. The courts hold that such sanction by Congress is conclusive on judicial tribunals.

President Roosevelt's Order No. 78, of March 15, 1904, is therefore the law of the land—having the authority of the executive, legislative, and judicial departments of the Government. The propositions of law, maintained in this letter, are supported by familiar cases to be found in the reports of the Supreme Court of the United States. See *McKeen vs. Delany*, 5 Cranch, 22; *Brown vs. U. S.*, 113 U. S., 568; *The Laura*, 114 U. S., 411; *U. S. vs. Graham*, 110 U. S., 49; *U. S. vs. Philbrick*, 120 U. S., 52; *U. S. vs. Johnston*, 124 U. S., 236.

It is said that Order No 78 costs money. Yes, that is true. Time is responsible for this—not Roosevelt. The veterans are growing old; thousands of them, every year, pass the old age period of sixty-two. The War of the Rebellion began more than forty years ago. Most of the men who fought for the Union are past three-score years. The critics have the consolation of knowing that death will soon terminate the pensions granted for old age.

Both parties, Democratic and Republican, have recognized and adopted this humane and reasonable interpretation of the law. The courts of the United States will sustain Order No. 78 whenever one of the critics of the President will venture to go into court to challenge its legality. The arrows of his assailants will fall harmless at his feet. The living veterans of the Civil War—their children and kindred, the descendants of the million who have died, and all of our people who cherish a manly sympathy for the needs of their defenders, now tottering towards their graves, will bless Roosevelt for his kindly and just action.

Sincerely yours,

(Signed) DANIEL E. SICKLES.

**Secretary Hitchcock on Pension Order No. 78.**

[Order No. 78.]

DEPARTMENT OF THE INTERIOR,  
WASHINGTON, March 28, 1904.

*The President pro tempore, United States Senate.*

SIR: Replying to Senate resolution No. 151, I have the honor to state that an order has recently been issued regulating the administration of the act of June 27, 1890. It is not considered, however, that this Department has the authority to enlarge the provisions of that act or in any way to affect its just interpretation or that the order referred to does either. A copy of the order is contained in the report of the Acting Commissioner of Pensions, transmitted herewith.

As some misunderstanding with reference to the interpretation and purpose of this order has existed, a brief review of pension legislation and the administration thereof in this Department is submitted for the purpose of showing that the order referred to is clearly within executive authority and in conformity with existing law and the methods which have heretofore prevailed in its administration.

Before the act of June 27, 1890, no pensions were granted except upon proof that the death or disability for which the pension was sought resulted from actual service. This act, however, provided that any person who had served ninety days or more and who had been honorably discharged should receive a pension of not less than six nor more than twelve dollars per month, if proof were furnished that he was suffering from a permanent disability, not the result of vicious habits, which incapacitated him "from the performance of manual labor in such a degree as to render him unable to earn a support."

Disability, partial or complete, to perform manual labor is the sole measure of the right to a pension under this act. The element of manual labor is fundamental. If in the adjudication of a pension claim, it shall be determined that the applicant's pensionable disabilities render him wholly incapacitated for manual labor, his pension rating will be accordingly, even though the applicant may be then occupied, with distinguished usefulness, in some field of intellectual endeavor.

It is well understood that there is a natural decay of the physical powers, due solely to age, which impairs man's capacity to "earn a support" by his own manual labor. Not only does the act itself provide that "each and every infirmity shall be duly



considered," but the decisions under it uniformly recognize the principle that disabilities due to senility alone are pensionable.

By an order (No. 241) issued by the Pension Bureau in September, 1893, a copy of which is transmitted herewith, it was determined that "in a case in which the pensioner has reached the age of 75 years his rate shall not be disturbed if he is receiving the maximum (\$12), and if he is not a pensioner he shall receive the maximum for senility alone, if there are no special disabilities shown."

In the case of applicant Patrick Carroll the Department in February, 1893, decided that "old age or senility is a legal disability under the act of June 27, 1890, and the surgeons should have given their estimate of the amount of disability arising therefrom for the performance of manual labor and the earning of a support thereby." In July, 1895, in the case of applicant Jacob Rinkle, the Department affirmed the above named order No. 241.

Later, in July, 1897, in the case of Francis Frank, it was held by the Department that "a claimant for pension under the act of June 27, 1890, who has attained the age of 65 years shall be entitled to at least the minimum rate of pension provided by that act."

Although age, in connection with other disabilities, has always been considered in determining pension ratings under the act, there has never been any uniform rule for rating the infirmities due to the element of age with the exception of the two classes named. Such ratings therefore seem to have been governed by the varying opinions of the many who have been occupied with that duty, thereby imparting to that feature of pension administration something of uncertainty and inequality.

To this fact, together with the growing importance of age conditions, is due in considerable measure the necessity for action on the line of this order specifically defining, as far as practicable, ratings from the best attainable data for infirmities due to senility. In the administration of the pension laws and the consideration of the immense number of cases that are pending under every act it is impossible to secure uniformity and expedition in decisions without laying down convenient rules for the weighing of evidence and *prima facie* presumption which long experience justifies. This has been the uniform course of the Pension Bureau since its establishment.

The order in question merely lays down as a convenient rule of decision and a rebuttable presumption of fact that one who is otherwise entitled and is 62 years of age is partially disabled from earning a livelihood by his hands, that one who is 65 is more disabled for manual work, that one who is 68 is in a still greater degree incapable of earning a support by manual labor, and that one of 70 is completely disabled in this regard. Certainly such a presumption is justified by general experience in actual life.

When it is understood that in the adjudications under this act age has always been considered a factor in connection with other disabilities, and when it is further considered that for more than ten years there has been an established rating (the maximum allowed by law) based solely on the age of 75 years, and that for nearly seven years there has been an established rating (minimum provided by law) based alone on the age of 65 years, it will be apparent how largely problematical must be any estimate of increase of expenditures under the order of March 15, 1904.

The Acting Commissioner of Pensions has given attentive consideration to the second paragraph of the resolution, and by reference to his report it will be seen that he estimates that the order of March 15, 1904, will result in an increased expenditure annually of \$5,400,000.

Attention is particularly invited to this branch of the Commissioner's report, which, while it shows the processes by which this result is reached and that it is the best approximation to accuracy practicable, reveals the fact that the calculation is to some extent necessarily speculative.

Respectfully,

E. A. HITCHCOCK, *Secretary.*

#### **The Lochran Old Age Pension Order of 1893.**

[ORDER NO. 241.]

DEPARTMENT OF THE INTERIOR,  
BUREAU OF PENSIONS,  
WASHINGTON, D. C., *September 2, 1893.*

The circular of June 12, 1893, in respect to rating cases under the act of June 27, 1890, is withdrawn. Hereafter, in fixing rates under this act, the medical referee or the medical officer in the board of revision shall weigh each disability and determine the degree that each disability or the combined disabilities disables the claimant from earning a support by manual labor, and a rate corresponding to this degree shall be allowed. In cases in which the pensioner has reached the age of 75 his rate shall not be disturbed if he is receiving the maximum, and if he is not a pensioner, he shall receive the maximum for senility alone if there are no special pensionable disabilities shown.

WM. LOCHREN, *Commissioner.*

#### **Acting Commissioner Davenport on Order No. 78.**

DEPARTMENT OF THE INTERIOR,  
BUREAU OF PENSIONS,  
WASHINGTON, *March 21, 1904.*

SIR: In compliance with the accompanying resolution of the United States Senate, I have the honor to inclose a copy of the



order, dated March 15, 1904, which is probably the one referred to by that honorable body.

This order does not, in the opinion of this Bureau, enlarge "the pension act of June 27, 1890, and amendments as to disabilities of applicants for pensions," but simply construes said act in its application to the granting of pensions thereunder.

Inability to earn a support by manual labor from any cause is the guide to rating. "Pensions not exceeding \$12 per month and not less than \$6 per month, proportioned to the degree of inability to earn a support," is the wording of the law.

Special diseases and disabilities are not the only factors that produce inability to perform manual labor. The bodily infirmities natural to advancing age must be recognized in considering claims under the law. Manual labor alone enters into consideration, and to determine the degree of inability to earn a support thereby is a difficult problem to solve in such a way as to distribute pensions equitably to deserving applicants unless some rule for the guidance of the Bureau is adopted.

While it is an established fact that men of great age retain their intellectual capacity and mental activity in the highest degree it is also an established fact that the man who earns his support by hard manual labor finds at the age of 62 his ability diminishing and employment difficult to obtain.

The amount the order will "increase pensions annually, and particularly when the same shall become fully operative," can be only roughly estimated.

There are supposed to be living today about 875,000 ex-Union soldiers of the civil war. Of these there are pensioned under the act of July 14, 1862, known as the general law, about 265,000, and under the act of July 27, 1890, about 428,000, aggregating 693,000, which, deducted from the whole number of survivors, leaves 182,000 who have not applied for pension. To state definitely how many of this number failed to serve the required ninety days and receive final honorable discharge would be impossible. One-fourth seems a fair estimate and reduces the number to 136,500. To say that 75,000 of these have reached the age of 62 and will apply seems a reasonable estimate. If these 75,000 are all placed on the rolls at \$6 a month, or \$72 a year, the output for pensions will be increased \$5,400,000 annually.

The pension roll is diminishing rapidly, owing to deaths of beneficiaries, and in all probability this decrease will offset any gains caused by claims of soldiers who have reached the age of 65 and upward.

I have the honor to remain, your obedient servant,

J. L. DAVENPORT, *Acting Commissioner.*

THE SECRETARY OF THE INTERIOR.

### Order No. 78.

DEPARTMENT OF THE INTERIOR,  
BUREAU OF PENSIONS,

March 15, 1904.

Whereas the act of June 27, 1890, as amended, provides that a claimant shall "be entitled to receive a pension not exceeding twelve dollars per month and not less than six dollars per month proportioned to the degree of inability to earn a support, and in determining such inability each and every infirmity shall be duly considered, and the aggregate of the disabilities shown to be rated;" and

Whereas old age is an infirmity the average nature and extent of which the experience of the Pension Bureau has established with reasonable certainty; and

Whereas by act of Congress in 1887, when thirty-nine years had elapsed after the Mexican war, all soldiers of said war who were over 62 years of age were placed on the pension roll; and

Whereas thirty-nine years will have elapsed on April 13, 1904, since the civil war, and there are many survivors over 62 years of age. Now therefore,

Ordered, (1) In the adjudication of pension claims under said act of June 27, 1890, as amended, it shall be taken and considered as an evidential fact, if the contrary does not appear, and if all other legal requirements are properly met, that, when a claimant has passed the age of 62 years, he is disabled one-half in ability to perform manual labor, and is entitled to be rated at six dollars per month; after 65 years, at eight dollars per month; after 68 years, at ten dollars per month, and after 70 years, at twelve dollars per month.

(2) Allowances at higher rate, not exceeding twelve dollars per month, will continue to be made as heretofore where disabilities other than age show a condition of inability to perform manual labor.

(3) This order shall take effect April 13, 1904, and shall not be deemed retroactive. The former rules of the office fixing the minimum and maximum at 65 and 75 years, respectively, are hereby modified as above.

E. F. WARE,

*Commissioner of Pensions.*

Approved.

E. A. HITCHCOCK, *Secretary.*

## THE PROBLEM OF OUR COLORED CITIZENS.

This problem, heretofore a subject of more or less academic discussion, has been made a political question by the recent action of most of the Southern States in so amending their state constitutions as to nullify the plain intentment of the Federal Constitution as modified by the XIVth and XVth Amendments thereto. Article XIV provides that "All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the state wherein they reside. No state shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States." \* \* \* Article XV provides that "The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any state on account of race, color, or previous condition of servitude." It is provided, also, that the Congress shall have power to enforce these articles by appropriate legislation.

These amendments, the recorded judgment and will of the nation, crystallize the patriotism and the sacrifice of a million heroes who fought for liberty and union.

It is upon the practical acceptance of the great principles underlying these constitutional guaranties that the two leading parties fundamentally differ, and a careful reading of the records of the Republican party and of the Democracy relative thereto will leave little room for choice as to which party promises most for the ultimate strength and glory of the Nation.

No more striking contrast as to the attitude of the two great parties touching their adherence to the principle that "all men are created equal" can be made than that afforded by the course of events North and South during the past quarter of a century. In the North, where Republicanism is strongest, colored citizens, although a minority of the population, are given participation in the control of municipalities, counties, and states, and are frequently elected to public office in these respective units of our governmental system; in the South, the stronghold of Democracy, the colored citizen is being systematically disfranchised and barred from effective participation in the conduct of public affairs, and each year witnesses a narrowing of his political and civil rights. The mere mention of the facts well known to every observer of the times will suffice to indicate the relative attitude of the two great political parties toward the colored citizen. The Republican party believes in the political equality of all men without reference to race or nationality, and this belief it has supported by the most costly and sanguinary war in our national history. The Democratic party believes in restricting the privilege of citizenship to a particular class, and has written her opinions into the statutes, constitutions, and practices of nearly every Southern State where that party is dominant. The Republican party believes in the doctrine so tersely expressed by President Roosevelt—"All men up rather than some men down"—and it has always encouraged the colored citizen in his efforts and ambition to rise higher in the scale of civilization. The Democratic party would deny to the negro the incentive to high aspirations, and boasts through its representatives of its purpose to exclude colored men from any voice in the control of local affairs. Senator Gorman, high in the Democratic counsels of his party, clearly stated the manifest intention of the Democracy to de-citizenize, as far as possible, the colored voters of the country, and in a recent speech declared: "The South has passed through scenes of turbulence and disorder and rape and riot. By amendments to State constitutions and by legislation the whites (of the South) have secured control, for the time being, of their own local governments, and the colored race is no longer a political factor in any State south of the Potomac." Here is a frank admission that Democracy no longer respects the time-honored maxim that "governments derive their just powers from the consent of the governed," and that only a portion of the citizenry are, in the opinion of its leaders, entitled to a voice in public affairs.



The Republican party encourages the highest character in the negro; the Democratic party seeks to degrade it. No Republican legislature has ever enacted laws inimical to the progress, happiness, and comfort of any class of citizens; numerous Democratic legislatures, on the other hand, have enacted laws which make it impossible for a colored person of refinement to travel in decency or comfort from one part of a State to another. No Republican governor would dare veto a measure for the education of any class of citizens in the rudiments of knowledge. Yet that is just what has recently been done by the chief executive of Mississippi. The Republican party is on record as being in favor of the most liberal policies with respect to negro education, believing that no other position is consistent with the preservation of popular institutions.

The present liberal policy of the Republican party is in keeping with the broad statesmanship which has characterized it from the beginning. Prior to the accession of the Republican party to power a race of 4,000,000 souls had suffered the wrongs and cruelties of human slavery, with no redress either in the courts, in Congress, or at the bar of public opinion. In all the years from 1619, when the first cargo of slaves was landed at Jamestown, Va., to 1856, when the Republican party had its birth, both organic and statutory law formed an impassable bar to negro hopes and ambitions. But with the birth of that party a marked change occurred. It is unnecessary to recount the causes which led up to the war of the rebellion. Suffice it to say, as a result of that war, under the leadership of a Republican President, supported by a Republican Congress, 4,000,000 negroes were emancipated from slavery, invested with citizenship, and made an integral part of this great Republic, to share in its glories and opportunities, bound only by the limitations of individual capacity and worth. Unwilling, however, to rest the security of the negro's rights upon mere legislative enactment, the Republican party, through the co-operation of Republican States, gave to negro citizenship the supreme sanction of Constitutional guaranty. It was only then that the Declaration of Independence, now so ostentatiously quoted by the Democracy as the embodiment of their party principles, but which for nearly 100 years had been ignored and repudiated by their party practices, first became the true expression of our national policy.

Following this change in the political status of the colored population came a period of preparation for citizenship. Thousands of Northern men and women, schooled under the tutelage of Republican environment in the works of philanthropy and justice, dedicated their money, their time, and even their lives to the education and elevation of those emancipated millions. Hence the colored school and the colored church under the guidance of white philanthropists sprang into existence, only to be followed by similar institutions organized and controlled by colored citizens. But this leaven of intelligence could never have been imparted to the black masses of the South but for the opportunities first opened as a direct result of Republican principles and policies.

The outbreak of hostilities between the United States and Spain afforded another opportunity for the Republican party to demonstrate its loyalty to the broad principles set forth in the Declaration of Independence and given legal sanction by the XIVth and XVth Amendments to the Constitution, already quoted. In that war over 15,000 black soldiers were called into service, among them nearly 300 colored officers, a fact without precedent in all our national history. Their service was characterized by gallantry and bravery which aroused the admiration of the world, the valor of the black troops at San Juan Hill contributing largely to the victory achieved on that occasion. As a mark of recognition of the heroic service rendered by black soldiers, President McKinley, in 1899, issued an order for the organization of two infantry regiments of colored men. Despite the protests of the Democrats this was done and the regiments have been designated respectively the Forty-eighth and Forty-ninth Volunteer Infantry, with headquarters at Fort Thomas, Ky., and Jefferson Barracks, Mo.

Thus the war with Spain, in addition to its primary object,



served a two-fold purpose. It emphasized the policy of the Republican party in honoring the colored citizen both in war and peace; and the black soldier in that war, by patriotism and valor, proved to the world that citizenship had not been unworthily bestowed.

In face of the foregoing facts, the colored voter and others doubtful of the wisdom of continuing the control of the present Administration may well be asked whether or not the rights of the American negro at home and the destinies of the inhabitants of those islands now belonging to the United States are not safer with the Republican party, which by tradition and legislation has identified itself with the cause of human freedom and universal opportunity, than with the Democracy. Upon the record of its treatment of American citizens of whatever race, color, or nativity, the Republican party rests its claim upon the confidence of the country as to its intentions in the islands recently added to the domain of the United States. Neither the speciousness of Democratic platform deliverances, the eloquence of Democratic oratory, nor the idle generosity of Democratic promises can obscure the Democracy's unenviable record upon every question that pertains to human rights. "Charity begins at home," and until that party accords justice to all the inhabitants of the States under its control it cannot claim the suffrages of the colored people of this country who seek amelioration of their civil and political status nor of that greater body of American citizens whose only interest in the issue of the present struggle is the honor and stability of our own nation, and the welfare and advancement of those peoples who have recently become the wards of the American nation.

The following are a few expressions from leading Democrats that clearly indicate the policy of their party respecting the colored citizen:

"The 12,000,000 white people of the 11 Southern States have irrevocably, finally, and almost unanimously determined that they will prevent, by every constitutional means in their power, these people from exercising the elective franchise."—Hon. T. W. Hardwick, Democratic Congressman, Georgia.

"I am opposed to the nigger's voting; it matters not what his advertised moral and mental qualifications may be. I am just as much opposed to Booker Washington's, with all his Anglo-Saxon reinforcements, voting as I am to voting by the cocoanut headed, chocolate colored, typical little coon Andy Dotson, who blacks my shoes every morning. Neither one is fit to perform the supreme functions of citizenship."—Governor Vardeman, Democratic Governor of Mississippi.

"We would not withhold from the negro any of his 'rights,' but we do not regard the right of suffrage as one of his rights, or as being essential in any way to the protection of his life or property, or to his pursuit of happiness."—Charleston News and Courier.

## THE PROPOSED INVESTIGATION OF VIOLATIONS OF THE FOURTEENTH AMENDMENT TO THE CONSTITUTION.

The justification of this plank of the platform rests upon a few simple though important facts and principles, which may be briefly stated:

Under the Constitution as it existed before the civil war suffrage was, for all practical purposes, under the exclusive control of the States. Each State had the right to prescribe such qualifications of its electors as it deemed best suited to its own interest. The State could confer or withhold the right to vote according to its will expressed in its constitution and laws, which were supreme in that respect. The only limit (if there be a limit) to this absolute authority suggested by the Constitution is contained in the national guaranty to every State of a republican form of government, Article IV, Section 4, of the Constitution; the only condition imposed upon its exercise is that the electors of the members of the House of Representatives shall have the qualifications required for the electors of the most numerous branch of the State legislature.

In the exercise of this power the several States from time to time fixed and determined their own electorates, sometimes excluding the illiterate, sometimes excluding those without a certain amount of property, and almost universally, north and south alike, excluding the negro race. This was done without any possibility of affecting the representation in Congress or in the electoral vote, which was then, by Article I, Section 2 of the Constitution, proportioned (as direct taxes are proportioned) to the number of free persons plus three-fifths of the slaves. But the civil war brought about two radical changes in the Constitution with respect to suffrage, one expressed in the 14th Amendment to the Constitution and the other expressed in the 15th Amendment to the Constitution. The second section of the 14th Amendment to the Constitution, which deals with the suffrage question, is as follows:

"Section 2. Representatives shall be apportioned among the several States according to their respective numbers, counting the whole number of persons in each State, excluding Indians not taxed. But when the right to vote at any election for the choice of electors for President and Vice-President of the United States, Representatives in Congress, the Executive and Judicial officers of a State, or the Members of the Legislature thereof, is denied to any of the male citizens of such State being twenty-one years of age, and citizens of the United States, or in any way abridged, except for participation in rebellion, or other crime, the basis of representation therein shall be reduced in the proportion which the number of such male citizens shall bear to the whole number of male citizens twenty-one years of age in such State."

It is obvious that this amendment did not confer the right of suffrage upon the negro race, nor in any way limit the full power of each State to fix the qualifications of its voters as it chose. Each State was free to limit the right of suffrage as it chose, to disfranchise those who were illiterate or without property, or those belonging to the negro race. The prevalent opinion in the Republican party at the time the 14th Amendment was passed was, that the negroes lately released from bondage were not yet fitted for the duties of citizenship. But this amendment for the first time imposed upon any State which should, as it had a right to do, exclude from the electorate any of its male inhabitants twenty-one years of age, citizens of the United States, and guiltless of crime, the penalty of a reduction of its representation in the House of Representatives and in the electoral college. The amendment provides that the basis of apportionment of representation should be not the total population of the State, but that population diminished by such a percentage of itself as the number of citizens denied the right to vote constitute of the whole number of male citizens.

As, by the 13th Amendment to the Constitution slavery had been abolished, under the Constitution as it existed before the passage of the 14th Amendment the States wherein slavery had existed would have received a considerable increase in representation in the House of Representatives and in the electoral college, because those who had been slaves and had theretofore counted as three-fifths of a man in ascertaining representation, each counted as a single man when he became free. As there were some four and a half millions of slaves who were freed by the 13th Amendment to the Constitution, the extraordinary spectacle would have been presented of the States lately at war with the Union returning within it with an increased political power measured by two-fifths of the four and one-half millions of freedmen, and expressed by from thirty to forty additional seats in Congress and votes in the electoral college. It was then assumed that the Southern States would continue to confine the right of suffrage to the white race and accept the diminution in political power imposed by the 14th Amendment. It was hoped that the temptation of an increase of political power would result in the States gradually, from time to time as they judged it safe to do so, conferring the right of suffrage upon freedmen who in one way or another should prove that they were worthy of it. But the slave States rejected contemptuously the 14th Amendment and passed laws for the government of the freedmen which caused great apprehension, well described in Mr. Blaine's "Twenty Years in Congress."

Then followed the 15th Amendment to the Constitution, which is as follows:



"Section 1. The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude.

"Section 2. The Congress shall have power to enforce this article by appropriate legislation."

This amendment does not confer the right of suffrage upon any person. It, however, for the first time limits the right of a State to deal with that subject. A State still has the power to prescribe the qualifications for suffrage. It may at will exclude those without property. It may still at will exclude the illiterate, but if it excludes the illiterate negro it must by the same law exclude the illiterate white man. In the eyes of the 15th Amendment all races admitted to our citizenship are entitled to impartial treatment in respect of suffrage.

In many of the States recently new constitutions have been adopted with the avowed purpose of excluding as many as possible of the negro race from the right of suffrage and including as many as possible of the white race in the right of suffrage. Whether these constitutions, examples of which are printed below, are violative of the 15th Amendment and therefore void is too large a question for discussion here. If such a violation has occurred, by Section 2 of Article XV Congress has authority to deal with the subject. Passing by that, however, it is a matter of common knowledge that the effect of these new constitutions is to exclude voters, mostly of the negro race, by the tens of thousands from the electorate. Thus there is presented the exact condition to which the 14th Amendment is intended to apply.

The plank of the platform under consideration favors an investigation by Congress of the subject, and after the facts are ascertained a reduction of representation in accordance with the Constitution. It is a mistake to suppose that this plank refers to the Southern States alone. Many other States exclude from their electorates substantial portions of their male citizens twenty-one years of age, notably the States of Massachusetts, Connecticut, and California. Extracts from the constitutions of those States are printed below. It is clearly just that any reduction under the 14th Amendment which Congress may adopt should apply equally to all of the States of the Union. Any investigation which Congress undertakes should be conducted with respect to all the States where there is any denial of the right of suffrage to any of their citizens. This is the obvious meaning of the plank. This utterance of the convention has been bitterly attacked as sectional and calculated to arouse race hatred. It is neither. The Republican party has the right to discuss the interpretation and enforcement of any part of the Constitution of the United States. The demand is made that we stand mute by men who themselves embrace every opportunity, on the platform, in the pulpit, and in the press to put forward their own views upon this great subject. The Republican party by the action of its convention has declined to comply with this demand and has brought forward the subject for discussion. It may be confidently hoped that the just and constitutional representation of the people of the several States in the House of Representatives and the electoral college may receive earnest consideration and temperate discussion. That each State shall receive only its just share in the political power of the nation is the right of every other State, because the power of no State can be unlawfully increased except at the expense of unlawfully decreasing the power of the other States. We may be assured that any action which may hereafter be taken will be with scrupulous regard to the rights of every State, and will seek to impose upon none any other law or rule than that which the Constitution itself commands.

#### **The New Election Laws in the South.**

The following are the sections of the Mississippi, Louisiana, and North Carolina election laws framed for the avowed purpose of depriving colored citizens of their constitutional right to vote. The number of colored males of voting age in these three States was in 1900 472,398 and now presumably reaches 500,000, thus representing a population of nearly 2,500,000 in these States alone. It will be seen that the Louisiana and North Carolina laws are especially framed for the purpose of making the



educational test apply only to the colored population, and all persons who were voters prior to January 1, 1867, and the lineal descendants of all persons who were voters prior to that date are exempt from the provision of the law which disqualifies persons because of illiteracy.

#### Mississippi.

"Section 244. On and after the first day of January, 1892, every elector shall, in addition to the foregoing qualifications, be able to read any section of the Constitution of this State; or he shall be able to understand the same when read to him, or give a reasonable interpretation thereof. \* \* \*

#### Louisiana.

"Section 3. He (the voter) shall be able to read and write, and shall demonstrate his ability to do so when he applies for registration, by making, under oath administered by the registration officer or his deputy, written application therefor, in the English language or his mother tongue, which application shall contain the essential facts necessary to show that he is entitled to register and vote, and shall be entirely written, dated and signed by him, in the presence of the registration officer or his deputy, without assistance or suggestion from any person or memorandum whatever, except the form of application hereinafter set forth. \* \* \*

"Section 5. No male person who was on January 1st, 1867, or at any date prior thereto, entitled to vote under the Constitution or statutes of any State of the United States, wherein he then resided, and no son or grandson of any such person not less than twenty-one years of age at the date of the adoption of this Constitution, and no male person of foreign birth, who was naturalized prior to the first day of January, 1885, shall be denied the right to register and vote in this State by reason of his failure to possess the educational or property qualifications prescribed by this Constitution; provided, he shall have resided in this State for five years next preceding the date at which he shall apply for registration, and shall have registered in accordance with the terms of this article prior to September 1, 1898, and no person shall be entitled to register under this section after said date."

#### North Carolina.

"Section 4. Every person presenting himself for registration shall be able to read and write any section of the Constitution in the English language. \* \* \* But no male person who was, on January 1, 1867, or at any time prior thereto, entitled to vote under the laws of any State in the United States wherein he then resided, and no lineal descendant of any such person shall be denied the right to register and vote at any election in this State by reason of his failure to possess the educational qualifications herein prescribed, provided, he shall have registered in accordance with the terms of this section prior to December 1, 1908.

"The General Assembly shall provide for the registration of all persons entitled to vote without the educational qualifications herein prescribed, and shall, on or before November 1, 1908, provide for the making of a permanent record of such registration, and all persons so registered shall forever thereafter have the right to vote in all elections by the people in this State, unless disqualified under section 2 of this article: Provided, such person shall have paid his poll tax as above described."

The following are state constitutional provisions regarding the right of suffrage in certain northern states:

#### Massachusetts.

"Art. XX. No person shall have the right to vote, or be eligible to office under the constitution of this commonwealth, who shall not be able to read the constitution in the English language, and write his name: provided, however, that the provisions of this amendment shall not apply to any person prevented by a physical disability from complying with its requisitions, nor to any person who now has the right to vote, nor to any persons who shall be sixty years of age or upwards at the time this amendment shall take effect."

#### Connecticut.

"Art. VIII," as amended. "Every male citizen of the United States, who shall have attained the age of twenty-one years, who shall have resided in this State for a term of one year next preceding, and in the town in which he may offer himself to be admitted to the privileges of an elector, at least six months next preceding the time he may so offer himself, and shall sustain a good moral character, shall, on his taking such oath as may be prescribed by law, be an elector."

"Art. XI. Every person shall be able to read any article of the Constitution or any section of the statutes of this State before being admitted an elector."

## California.

"Art. II, Section 1. Every native male citizen of the United States, every male person who shall have acquired the rights of citizenship under or by virtue of the treaty of Queretaro, and every male naturalized citizen thereof, who shall have become such ninety days prior to any election, of the age of twenty-one years, who shall have been resident of the State one year next preceding the election, and of the county in which he claims his vote ninety days, and in the election precinct thirty days, shall be entitled to vote at all elections which are now or may hereafter be authorized by law: provided, no native of China, no idiot, no insane person, no person convicted of any infamous crime, no person hereafter convicted of the embezzlement or misappropriation of public money, and no person who shall not be able to read the constitution in the English language and write his name, shall ever exercise the privileges of an elector in this State: provided, that the provisions of this amendment relative to an educational qualification shall not apply to any person prevented by a physical disability from complying with its requisitions, nor to any person who now has the right to vote, nor to any person who shall be sixty years of age and upwards at the time this amendment shall take effect."

The following table, compiled from official data, shows the number of colored employees in the service of the Government, exclusive of the United States Capitol and the judiciary:

**Colored Officers, Clerks, and Other Employees in the Service of the United States Government, 1904.**

	No.	Salaries
Diplomatic and consular service.....	13	\$32,000
Departmental service:		
State.....	10	7,600
Treasury.....	596	391,834
War.....	122	94,910
Navy.....	42	29,736
Post-Office.....	103	66,840
Interior.....	219	167,260
Justice.....	17	13,520
Agriculture.....	100	53,272
Commerce and labor.....	125	78,856
Government Printing Office.....	320	210,874
Interstate Commerce Commission.....	4	2,280
District government, Washington, D. C.....	1,891	847,055
Recorder of deeds.....	22	14,050
Service at large:		
Customs and internal revenue.....	258	205,047
Post office at large.....	750	611,140
Land office, New Orleans.....	3	7,800
Miscellaneous.....	5	2,400
Army officers.....	10	17,260
Total.....	4,610	\$2,853,734
Recapitulation by localities:		
At foreign stations.....	13	\$32,000
At Washington, D. C.....	3,663	2,056,727
At New York N. Y.....	188	153,982
At New Orleans, La.....	108	96,740
At Atlanta, Ga.....	94	65,780
At Savannah, Ga.....	42	32,766
At Augusta, Ga.....	12	8,120
At Baltimore, Md.....	40	31,444
At Richmond, Va.....	50	37,820
At miscellaneous points.....	390	321,095
Army officers.....	10	
Total.....	4,610	\$2,853,734

The fact that nearly 5,000 colored citizens are in the public service and receiving salaries aggregating about three million dollars furnishes further evidence of the broad and liberal policy of the Republican party, while the further fact that the colored employees are proverbially faithful, courteous, and efficient is ample justification of the attitude of the party toward the freedmen of the nation.

We ask that sober and sensible men compare the workings of the present tariff law and the conditions which obtain under it, with the workings of the preceding tariff law of 1894 and the conditions which that tariff of 1894 helped to bring about,—President Roosevelt's speech accepting 1904 nomination,

*Vote for Representatives in Congress, 1900 and 1902.*

State.	1900.		1902.	
	Rep.	Dem.	Rep.	Dem.
Alabama.....	36,334	104,626	22,438	67,667
Arizona.....	7,716	8,664	9,239	9,716
Arkansas.....	42,735	84,258	6,593	32,823
California.....	180,549	142,321	152,363	126,290
Colorado.....	92,811	(1) 121,011	85,297	84,348
Connecticut.....	102,559	74,521	83,666	70,589
Delaware.....	21,711	18,529	12,998	16,396
Florida.....	5,254	26,451	.....	16,340
Georgia.....	11,605	83,504	.....	39,967
Hawaii.....	(2) 3 783	1,567	6,636	4,696
Idaho.....	26,860	28,087	32,834	24,878
Illinois.....	591,886	502,187	406,560	373,488
Indiana.....	330,775	310,847	296,185	268,940
Iowa.....	304,302	212,847	223,021	158,849
Kansas.....	180,979	162,652	158,307	115,342
Kentucky.....	228,476	233,002	122,746	158,652
Louisiana.....	14,554	52,925	4,047	22,218
Maine.....	72,908	40,485	63,481	38,633
Maryland.....	135,404	122,778	100,064	91,606
Massachusetts.....	230,376	143,356	192,580	150,055
Michigan.....	312,902	216,664	228,399	155,732
Minnesota.....	158,396	105,895	158,843	90,791
Mississippi.....	2,579	47,549	.....	18,058
Missouri.....	313,814	354,080	230,749	274,220
Montana.....	34,887	21,175	24,626	19,560
Nebraska.....	112,952	(1) 109,988	98,337	89,214
Nevada.....	4,190	5,975	5,101	5,876
New Hampshire.....	53,502	34,918	44,629	30,204
New Jersey.....	250,822	199,268	183,576	164,199
New Mexico.....	21,567	17,857	24,222	14,576
New York.....	808,474	669,012	651,838	633,570
North Carolina.....	122,879	162,260	53,938	135,319
North Dakota.....	35,891	20,519	32,986	14,765
Ohio.....	537,016	479,168	439,765	337,656
Oklahoma.....	38,253	33,529	45,763	45,469
Oregon.....	43,300	30,902	48,082	31,811
Pennsylvania.....	683,941	411,552	619,805	303,201
Rhode Island.....	30,941	18,715	28,215	27,853
South Carolina.....	3,100	47,827	742	31,343
South Dakota.....	54,530	39,554	48,454	21,113
Tennessee.....	96,921	116,030	53,618	98,766
Texas.....	82,229	296,978	55,320	286,787
Utah.....	46,180	45,939	43,710	38,196
Vermont.....	46,718	16,732	33,539	8,544
Virginia.....	98,730	165,069	38,129	82,225
Washington.....	110,661	90,330	59,366	34,315
West Virginia.....	118,213	100,598	100,223	88,350
Wisconsin.....	260,544	160,834	194,885	137,056
Wyoming.....	14,539	10,017	15,808	8,892
Total.....	6,853,905	6,163,311	5,541,713	5,097,354

(1) Fusion.

(2) Wilcox, Ind. Home Ruler, elected Delegate to Congress from Hawaii in 1900.

In twenty years the workshop of the world has become the dumping ground of the world.—London Daily Telegraph, December 10, 1903.

To be an American citizen to-day means more than ever before; it means greater opportunity and enlarged responsibility.—Hon. C. W. Fairbanks, at Baldwin, Kas., June 7, 1901.

The question of human rights and human liberty are the potential questions which have summoned our mightiest armies and have assembled our fleets and stirred our country to the utmost depths.—Hon. C. W. Fairbanks, in U. S. Senate, February 22, 1902.

The foundation of our whole social structure rests upon the material and moral well-being, the intelligence, the foresight, the sanity, the sense of duty, and the wholesome patriotism of the wage-worker.—President Roosevelt at Labor Day picnic, Chicago, Sept. 3, 1900.

The menace of 16 to 1 still hangs over us with all its dire consequences to credit, confidence, business, and activity; the enemies of sound money are rallying their scattered forces. The people must once more unite and overcome the advocates of repudiation.—President McKinley to the Notification Committee, July 12, 1900.



*Popular and electoral vote for President in 1900.*

States.	Popular vote.							Electoral vote.	
	Dem.	Rep.	Pro.	Social Dem.	Social Labor.	Pop.	Plurality.	Dem.	Rep.
Alabama.....	97,131	54,512	2,762	.....	.....	4,178	41,619 L	11	.....
Arkansas.....	81,142	44,800	584	.....	.....	972	36,342 D	8	.....
California.....	124,985	164,755	5,024	7,554	.....	.....	39,770 R	.....	9
Colorado.....	122,733	93,072	3,790	654	700	387	29,661 D	4	.....
Connecticut.....	73,997	102,567	1,617	1,029	898	.....	28,570 R	.....	6
Delaware.....	18,858	22,529	538	57	.....	.....	3,671 R	.....	3
Florida.....	28,007	7,314	1,039	601	.....	1,070	20,693 D	4	.....
Georgia.....	81,700	35,035	1,396	.....	.....	4,584	26,665 D	13	.....
Idaho.....	29,414	26,997	857	.....	1,373	213	2,216 D	3	.....
Illinois.....	503,061	597,985	17,623	9,687	668	1,141	94,924 R	.....	24
Indiana.....	309,584	336,063	13,718	2,374	259	1,438	26,479 R	.....	15
Iowa.....	209,179	307,785	9,479	2,778	.....	618	98,606 R	.....	13
Kansas.....	162,601	185,955	3,605	1,605	890	.....	23,354 R	.....	10
Kentucky.....	235,103	227,128	3,780	646	.....	1,861	7,975 D	13	.....
Louisiana.....	53,671	14,233	.....	.....	.....	.....	39,438 D	8	.....
Maine.....	36,822	65,435	2,585	878	391	.....	28,613 R	.....	6
Maryland.....	122,271	136,212	4,582	908	2,599	.....	13,941 R	.....	8
Massachusetts.....	156,997	238,866	6,202	9,607	903	.....	81,869 R	.....	15
Michigan.....	211,685	316,269	11,859	2,826	1,329	833	104,584 R	.....	14
Minnesota.....	112,901	190,461	8,555	3,065	.....	.....	77,560 R	.....	9
Mississippi.....	51,706	5,753	.....	.....	1,294	1,644	45,953 D	9	.....
Missouri.....	351,922	314,092	5,965	6,139	.....	4,244	37,830 D	17	.....
Montana.....	37,146	25,373	298	708	.....	.....	11,773 D	3	.....
Nebraska.....	114,013	131,835	3,655	823	.....	1,104	7,822 R	.....	8
Nevada.....	6,347	3,849	.....	.....	.....	.....	*2,498 D	3	.....
N. Hampshire.....	35,489	54,803	1,270	790	.....	.....	19,314 R	.....	4
New Jersey.....	164,808	221,707	7,183	4,609	2,074	669	56,899 R	.....	10
New York.....	678,386	821,992	22,043	12,869	12,622	.....	143,606 R	.....	36
North Carolina.....	157,752	133,081	1,006	.....	.....	830	24,671 D	11	.....
North Dakota.....	20,519	35,891	731	518	.....	110	15,372 R	.....	3
Ohio.....	474,882	543,918	10,203	4,847	1,688	251	69,036 R	.....	23
Oregon.....	33,385	46,526	2,536	1,466	.....	203	13,141 R	.....	4
Pennsylvania.....	424,232	712,665	27,908	4,831	2,936	638	238,438 R	.....	32
Rhode Island.....	19,812	38,784	1,529	.....	1,423	.....	13,972 R	.....	4
South Carolina.....	47,236	3,579	.....	.....	.....	.....	43,657 D	9	.....
South Dakota.....	39,544	54,580	1,542	176	339	14,986 R	.....	.....	4
Tennessee.....	144,751	121,194	3,900	410	.....	1,368	23,557 D	12	.....
Texas.....	267,337	121,173	2,644	1,841	160	20,976	146,164 D	15	.....
Utah.....	45,006	47,139	209	720	106	.....	2,133 R	.....	3
Vermont.....	12,849	42,568	368	.....	.....	367	29,719 R	.....	4
Virginia.....	146,080	115,865	2,150	.....	.....	.....	30,215 D	12	.....
Washington.....	44,833	57,456	2,363	2,006	866	666	12,623 R	.....	4
West Virginia.....	98,807	119,829	1,692	268	.....	274	21,022 R	.....	6
Wisconsin.....	159,285	265,866	10,124	524	7,065	.....	106,581 R	.....	12
Wyoming.....	10,164	14,482	.....	.....	.....	.....	4,318 R	.....	3
Total.....	6,358,133	7,207,923	208,914	87,814	39,739	50,373	.....	155	292

Popular vote, McKinley over Bryan..... 849,790

Popular vote, McKinley over all..... 456,259

Electoral vote, McKinley over Bryan..... 137

Total popular vote, all candidates.....13,959,653

Total popular vote, including scattering votes... 13,961,566

So long as labor is deemed honorable there need be no concerns as to the future.—Hon. C. W. Fairbanks, in a Labor Day address at Kansas City, Mo., September 1, 1902.

What has been done for the tin-plate manufacturers in the United States can be done for American shipbuilders and American shipowners.—Hon. Wm. S. Greene, in Congress, April 28, 1904.

The Republican party stands now as ever, for honest money and a chance to earn it by honest toil.—From an address by Hon. Wm. McKinley before the Marquette Club, Chicago, Feb. 12, 1896.

It is no longer a question of expansion with us; we have expanded. If there is any question at all it is a question of contraction; and who is going to contract?—President McKinley at Iowa Falls, Iowa, Oct. 16, 1899.

In the Post-Office investigation the source of corruption, the fountain head from which flowed the whole miserable business, was found not in a Republican, but in a Democratic Administration, and it was a Republican Administration which applied the lancet and let free the poison.—Hon. Albert J. Beveridge, in the Senate, April 1, 1904.

**Popular and Electoral Vote in Presidential Elections from 1856 to 1900.**

*Showing number of votes cast for Republican and Democratic candidates, the electoral vote, and the per cent given to the Republican candidates in each presidential election from 1854 to 1900.*

Year.	Popular vote.				Electoral vote.			
	Dem- ocratic.	Repub- lican.	Other parties.	Total.	Per cent Repub.	Dem- ocratic.	Repub- lican.	Other parties
1856.....	1,838,169	1,341,264	a 874,534	4,053,967	33.1	174	114	a 8
1860b.....	1,375,157	1,866,352	c 589,581	4,676,853	39.9	12	180	c 39
1864.....	845,763	2,216,067	.....	4,024,792	52.6	72	212	.....
1868.....	1,808,725	3,015,071	.....	5,724,684	52.7	21	80	.....
1872.....	2,709,613	3,597,070	.....	6,466,165	55.6	42	214	.....
1876.....	2,834,079	4,033,950	35,016	8,410,097	48.3	184	286	21
1880.....	4,284,885	4,442,035	91,262	9,204,438	48.3	155	185	0
1884.....	4,911,017	4,848,334	285,634	10,044,985	48.2	219	182	0
1888.....	5,336,524	5,441,923	391,014	11,369,461	47.9	168	233	0
1892.....	5,554,267	5,175,201	1,333,096	12,062,564	43.0	277	145	g 22
1896.....	6,503,165	7,101,439	314,545	13,919,149	51.2	176	271	0
1900.....	6,358,133	7,207,923	393,597	13,959,653	53.0	155	292	0

a American party.

b S. A. Douglas, Democratic (Northern), polled 1,375,157 votes and carried 2 States having 12 electoral votes; J. C. Breckenridge, Democrat, (Southern), polled 845,763 votes and carried 11 States having 72 electoral votes.

c Constitutional Union party, John Bell, nominee.

d Eleven Southern States with 81 electoral votes refrained from voting.

e Three Southern States (Mississippi, Texas and Virginia), with 23 electoral votes, refrained from voting.

f Seventeen votes rejected.

g Sixteen votes rejected, viz., 2 from Georgia, for Greeley, and 8 from Louisiana, and 6 from Arkansas, for Grant.

h People's party, J. B. Weaver.

**Our Government should be as exacting from foreigners as from Americans. Make them pay duty while we pay taxes.—Hon. P. C. Cheney.**

**I fancy the people will be found pretty well content with an Administration which did not hesitate to say, "Let no guilty man escape," and then enforced that order.—Hon. Albert J. Beveridge, in the Senate, April 1, 1904.**

**Those who denounce the gold standard and assail its supporters must have read to no profit the splendid and incomparable history of their country.—Hon. C. W. Fairbanks, in U. S. Senate, March 5, 1900.**

**I would like to impress upon every public man, upon every writer in the press, the fact that strength should go hand in hand with courtesy, with scrupulous regard in word and deed, not only for the rights, but for the feelings, of other nations.—President Roosevelt at Waukesha, Wis., April 3, 1903.**

**I would rather have my boys taught to think the finest thing in life is the honesty and frankness, the truth and loyalty, the honor and the devotion to his country of Theodore Roosevelt than to have them in possession of all the wealth in this great metropolis.—Hon. Elihu Root, at New York, Feb. 3, 1904.**

## THE MCKINLEY STATES VERSUS THE BRYAN STATES.

Educational, Financial, and Industrial Conditions in the States  
Carried by McKinley and Bryan, Respectively, in 1900.

The table presented on the opposite page shows conditions in population, literacy, educational facilities, educational expenditures, industries, savings bank deposits, and other measures of conditions in each of the states carried by McKinley and Bryan, respectively, in 1900. It will be noted that the states which gave their electoral votes to McKinley in 1900 had 66.2 per cent. of the population of the country, and those which gave their votes to Bryan 33.8 per cent. The McKinley states, although they had two-thirds of the population, had but 31 per cent. of the illiterate white population, while those giving their vote to Bryan had 69 per cent. The McKinley states show a total expenditure for public schools amounting to 189 million dollars, or 85 per cent. of the total, while the Bryan states show a total of but 33 million dollars, or only 15 per cent. of the total public school expenditures of the United States. Of the value of the real property of the United States, amounting to 25 billions of dollars, 84 per cent. was located in the McKinley states and but 16 per cent. in the Bryan states; and of the personal property of the country, amounting to 8 billions of dollars, 74 per cent. was in the states which gave their electoral votes to McKinley and 26 per cent. in those which gave their votes to Bryan. Of the value of the farm products of the United States in 1899, 87.8 per cent. was produced in the states which gave electoral votes to McKinley and 32.8 per cent. in the states which gave their votes to Bryan; while of the total value of farm lands, including buildings and improvements, 76.9 per cent. was located in the McKinley states and 23.1 per cent. in the Bryan states. Of the 13 billion dollars' worth of manufactures produced in the United States in 1900, 87.2 per cent. was produced in the states which gave their electoral votes to McKinley and protection, and 12.8 per cent. in the states which gave their votes to Bryan and low tariff; while 79.2 per cent. of the mineral products of the United States in 1900 was produced in the states which gave their electoral votes to McKinley, and 20.8 per cent. in the Bryan states. Of the savings bank depositors in savings banks, 98.9 per cent. were located in the McKinley states and 1.1 per cent. in the Bryan states; and of the money deposited in savings banks, 99.5 per cent. was in the McKinley states and 0.5 per cent. in the Bryan states.

*Conditions in States carried by McKinley and Bryan, respectively,  
in 1900.*

	McKinley States.		Bryan States.	
		Per cent of total.		Per cent of total.
Area square miles .....	1,380,760	51.8	1,284,200	48.2
Population .....	49,390,585	66.2	25,216,640	33.8
Illiterate native white popu- lation 10 years old and over. }	569,434	3	1,270,048	69
School expenditures in 1900.... }	\$189,246,785	85	\$33,512,434	15
Assessed value of real estate.. }	\$21,598,538,094	84.1	\$4,076,900,371	15.9
Assessed value of personal property..... }	\$ 6,036,998,020	74	\$2,122,040,651	26
Value of farm lands, includ- ing buildings, etc..... }	\$12,608,680,997	77	\$3,789,316,055	23
Value of farm products 1899... }	\$ 3,137,963,575	67.8	\$1,487,964,093	32.2
Total value of manufactures in 1900..... }	\$11,274,824,602	87.2	\$1,649,647,187	12.8
Wages and salaries paid in manufacturing in 1900..... }	\$ 2,392,173,372	88.3	\$317,067,517	11.7
Value of product of mines, oil and gas wells, etc..... }	\$616,581,477	79.2	\$161,853,006	20.8
Savings banks deposits in 1900.. }	\$ 2,436,212,780	99.5	\$ 12,913,792	0.5
Number of depositors in savings banks..... }	5,826,969	98.9	67,762	1.1



## WORK OF THE 58th CONGRESS.

The following summarization of the work of the Fifty-eighth Congress, covering the special session called by President Roosevelt to consider the Cuban reciprocity treaty, and the regular session which closed on April 28, 1904, is from the New York Tribune of April 29, 1904:

Two great achievements have marked the first two sessions of the Fifty-eighth Congress, which is likely to go down in history as a business Congress, characterized by economy and strict adherence to business principles. The consummation of the policy of reciprocal trade relations with Cuba, outlined by McKinley and faithfully adhered to by Roosevelt, by the enactment of an enabling law which put into effect the provisions of the Cuban treaty ratified by the Senate last spring in special session, constituted the chief work of the first session of the current Congress, which met on November 9, although the final vote was not taken until December 16.

Of not less importance was the ratification at the regular session of the Panama treaty, negotiated under the direction of President Roosevelt, which paves the way for the great inter-oceanic highway designed to stand throughout the ages as the greatest monument to the United States, as well as to the fearless and energetic President who, overcoming all obstacles and quick to perceive a favorable opportunity, recognized the Republic of Panama, negotiated a treaty giving to the United States complete control over the canal zone, and received the hearty indorsement of Congress in his course.

Both of these measures were contested inch by inch by Democrats in Congress, who, bereft of any issue on which to appeal for support to the voters of 1904, thought they perceived an opportunity to create partisan capital. Under the rigid rules of the House little difficulty was encountered in passing the Cuban enabling act, but in the Senate persistent antagonism was met, and Senators Teller, Patterson, and other Democrats labored continually to rally their colleagues in a determined opposition to the policy of the Republican administration. The result was the postponement of final action until after the beginning of the regular session, but the final vote was 57 to 18 in favor of Cuban reciprocity, this being the first indication of that Democratic lack of harmony and that disintegration which have characterized the opposition throughout the session.

Immediately after the Christmas holidays the discussions of the Panama treaty began in earnest. The Democrats, seeking to make capital, introduced various resolutions, which they were able to discuss in open session, thus avoiding the "closed doors" which are the usual order when a treaty is under consideration. In this debate Mr. Gorman believed that he saw an opportunity to establish beyond peradventure his right to lead his party, and made Herculean efforts to solidify the Democratic opposition and to create the impression that President Roosevelt was an unsafe man. Days were spent in denunciation of the President's policy.

The President cheerfully forwarded to the Senate every document asked for, thus laying open to the most careful scrutiny every act in connection with the recognition of the Republic of Panama and the negotiation of the canal treaty. No impropriety was revealed, and no ground of criticism could be discovered, and gradually the Democrats in the upper chamber, who were daily hearing of the displeasure of their States at their unreasoning opposition, lost confidence in the leadership of Mr. Gorman. At last, on January 27, Senator Simmons, of North Carolina, felt compelled to speak in favor of the Panama treaty. He was followed by Senator Clark of Arkansas, and by other Democrats, and then the Republicans, perceiving their advantage, followed it up. Senator Gorman found himself deserted by his party colleagues, and on February 23 the Senate, by a vote which, including pairs, was 72 to 17, ratified the Panama treaty. Sixteen of the thirty-three Democratic Senators repudiated Mr. Gorman's leadership and placed themselves on record as indorsing the policy of President Roosevelt.

With the Panama treaty disposed of, an early adjournment immediately became the subject of discussion, and the leaders of both Houses determined to accomplish all necessary legislation with unparalleled expedition, setting April 1 as their goal for adjournment.

### The Post-Office Scandals.

One more energetic effort was made by the Democrats to create campaign material. The report of Fourth Assistant Postmaster-General Bristow, giving every detail of the Post-Office investigation of last summer, had been called for by a committee of the House and had been made public. It clearly demonstrated the thoroughness with which every clew to dishonesty in the postal service had been followed, and the unremitting and inexorable character of the inquiry which Mr. Bristow had conducted. Thirty indictments had been procured and eight convictions

obtained, while cases brought under the remaining twenty-two indictments were still in the courts, with no diminution in the vigor with which they were being prosecuted. There was nothing in the document to afford comfort or consolation to the Democratic politicians and they quickly perceived that fact.

Driven to desperation for a party issue, they thought that a further investigation might be instituted, which, whether it revealed the existence of any irregularity undiscovered by Mr. Bristow or not, would afford abundant and fruitful material for the partisan press, which could easily send out from Washington columns of unfounded rumor and speculation, were such an inquiry in progress. Hours of debate and pages of the Congressional Record were filled with the vociferous demands of the Democrats for such an investigation. The nonpartisan commission consisting of Holmes Conrad and Charles J. Bonaparte, called by the President to the assistance of the Departments of Justice and Post-Office in the investigation, was, however, still in existence, looking into the few remaining unraveled tangles of the former inquiry, and authorized to bring to the attention of the grand jury any evidence which would warrant application for indictment; and Democrats in Congress who had been making wild and general charges of malfeasance were invited to bring to the attention of Messrs. Conrad and Bonaparte any evidence which they believed should be further investigated. From that time nothing more was heard of a general Post-Office investigation, even from those Democrats who were loudest in proclaiming in debate the existence of irregularities still unprobed.

### **The National Finances.**

Early in the session, on January 26, Representative Hemenway, chairman of the Committee on Appropriations, warned Congress of the necessity for strict economy. He drew attention to the fact that the total estimates for the approaching fiscal year called for an expenditure of \$724,474,000, exclusive of \$56,500,000 required to meet the sinking fund. Adding the amount included in special appropriation bills, Mr. Hemenway estimated the grand total of this year's appropriations at \$747,317,922. Deducting from this sum \$704,472,060, Secretary Shaw's estimate of revenues for the next fiscal year, Mr. Hemenway showed an estimated deficit for the years 1904-5 of \$42,845,862. Referring to the treasury surplus of \$224,000,000, Mr. Hemenway predicted its rapid reduction. He showed that \$131,000,000 was already appropriated for the Panama Canal and unexpended balances for the Navy, rivers and harbors, and the House building. Basing his argument on these figures, he urged the most rigid economy in every possible direction. How closely the advice of the chairman of the Committee on Appropriations has been followed and how businesslike has been the conduct of this Congress are shown by his statement issued to-day. The authorized expenditures of the session amount to \$698,272,786, which, deducted from the revenues, estimated at \$704,472,060, leaves a surplus of \$6,199,274.

### **Important Laws Enacted.**

Among the more important laws enacted at the session may be enumerated one deferring application of the coastwise laws of the United States to commerce with the Philippines until July 1, 1905, and relieving the interisland trade to the Philippines from the restrictions of those laws; another providing that Government supplies shall be carried between the United States and the Philippines in vessels of American register; the creation of a commission, consisting of Senators Gallinger, Lodge, Penrose, Mallory, and Martin and Representatives Grosvenor, Minor, Humphrey, McDermott, and Spight, to determine the best method of assisting the American merchant marine. The commission will meet in the summer and make some recommendation to Congress at the next session.

The legislation giving the President power to take possession of the Panama Canal zone, pay the \$10,000,000 to Panama, establish such government there as may be necessary, and delegate to the Panama Commission such powers as he may deem best, was enacted in the closing hours. Rear-admiral John G. Walker, Major-General George W. Davis, William Barclay Parsons, Frank J. Hecker, William H. Burr, Carl Ewald Grunsky and Benjamin M. Harrod were confirmed by the Senate as members of the Panama Canal Commission, which has already visited the Isthmus and returned to make plans for carrying on the work.

Some question having been raised as to the effectiveness of the existing Chinese exclusion laws after the denunciation of the treaty with China of December 7, 1894, has taken effect, a brief clause has been added to the sundry civil appropriation bill providing that existing laws on this subject shall remain in force, regardless of the expiration of that treaty. Further immigration legislation provides that citizens of Newfoundland entering the United States shall be exempt from the payment of the usual head tax of \$2.

The only pension legislation enacted was a law fixing the pension of any person who lost the use of both eyes in the military or naval service of the United States at \$100 a month.

Assistance has been given to two expositions, \$4,600,000 having been advanced to the Louisiana Purchase Exposition and \$475,000 provided for Alaskan and Government exhibits at the Lewis and Clark Exposition, to be held at Portland, Oregon, next year.

By joint resolutions Congress extended an invitation to the Interparliamentary Union for the Promotion of International Arbi-



tration to hold its session next fall in the United States, appropriating \$50,000 for the expenses of the conference; provided funds for bringing to the United States 600 Porto Rican teachers to attend summer schools at the universities and other institutions of learning this year, and united in a request to the President to open negotiations with Great Britain for a revision of the Bering Sea and North Pacific Ocean fur seal regulations, and if possible to conclude similar negotiations with Russia, Japan, and other maritime nations.

By a House resolution the Secretary of Commerce and Labor was instructed to investigate the alleged beef trust.

### **The "Charges Against Members."**

One incident of the session which deserves notice in passing was the "tempest in a teapot" caused by the House Committee on Post-Offices and Post-Roads, which, believing it saw in Fourth Assistant Postmaster-General Bristow's report a reflection on members of Congress, proceeded to call for documentary evidence. The documents when received and made public so irritated the members of the House as to cause them to create the so-called "McCall committee" to investigate the relations of members of Congress with the Post-Office Department. This committee found no serious impropriety in the conduct of men then members of the House, but recommended greater formality and discretion on the part of members in their dealings with the executive departments.

### **Answers to Charges of Excessive Appropriations.**

The following account of the discussion in the Senate in the closing hours of the session regarding the appropriations of the year is also from the New York Tribune of April 29:

#### **Statement of Appropriations.**

Mr. Allison, chairman of the Committee on Appropriations, submitted a series of tables, prepared by the clerks of the Appropriations Committee, showing an increase of \$28,000,000 over the appropriations for last session. He gave the principal items of increase as follows:

For the Navy.....	\$16,000,000
On account of the postal service, including rural free delivery .....	8,000,000

He also said there was an increase of \$8,832,000 in the permanent annual appropriations, the chief item being \$5,000,000 for the bank-note redemption fund and the next most important item being \$2,250,000 for the irrigation reclamation fund.

Mr. Allison also spoke of the increase in the deficiency appropriations, the principal item being the loan of \$4,600,000 made to the St. Louis Exposition. Replying to an inquiry from Mr. Aldrich, he said that outside the loan to the exposition the cost of that institution to the national Treasury, including the cost of the Government exhibit, is about \$6,500,000.

Speaking generally, Mr. Allison said the appropriations were in the main for the conduct of the Government, and he expressed the opinion that they would not be criticised. He also referred to obligations assumed, and said those of this year are less than for many years previous.

#### **Comparing Administrations.**

Resuming Mr. Allison said the obligations aside from appropriations incurred at the present session amounted to \$24,000,000.

Mr. Culbertson presented a review of appropriations for the last twelve years, covering the last administration of Mr. Cleveland and the McKinley and Roosevelt administrations. He said the total expenditures under the Roosevelt administration had been \$2,640,000,000, or \$211,000,000 greater than the four years of the McKinley administration, and \$883,000,000 greater than in the four years of the Cleveland administration. These increases he subdivided as follows:

Civil administration.....	\$160,000,000
Naval .....	231,000,000
Military .....	284,000,000

He also said that for 1905 the total appropriation on account of the military, including pensions, would be \$387,000,000, and that excluding the expenses of the Boer war, the military expenditures of the United States for 1903 were \$32,000,000 more than those of Great Britain for that year, \$131,000,000 greater than those of Germany, and \$139,000,000 in excess of those of France.

Replying to Mr. Allison, Mr. Gorman placed the total appropriations of this session at \$781,000,000, and the obligations incurred at over \$24,000,000, or more than \$800,000,000 all told, not including the appropriation for the Panama Canal. He said the figures were amazing, and predicted that it would be impossible to continue expenditures at this rate without increasing taxes. He attributed the rapid increase to the ambition of the President to make of the United States "a great world power," and said that no harvest had been reaped except the loss of life and demoralization in every branch of the Government service.

Mr. Gorman referred to the increase for the support of the



Army, and said that if the present tendency should be pursued, the Army would become an instrument of tyranny. He charged that it was now being organized on the plans of the German army, and that the chief reason for the building up of the Army and Navy was to attract the attention of the crowned heads of Europe. He again charged that the early adjournment—"the earliest in the history of the country"—had been due to influence from the White House, and said that while delay might have been secured, it would not have changed results, and delay, therefore, was not sought by the Democratic Senators.

Mr. Allison replied to Mr. Gorman, saying he was surprised to hear from him that the adjournment of Congress was premature or unduly influenced.

Mr. Allison also characterized Mr. Culbertson's tables as "old and worn-out," as at the time covered by the tables the conditions of the country were totally different from present conditions. He said the extraordinary expenditures of the McKinley administration had been due to the Spanish war, which was forced on the President. He also combated the statement that the expenses of the military establishment were greater than those of the European nations, saying that the pension expenditures could not properly be included in such estimates.

Mr. Culbertson said the figures given for other countries include their pension lists, and Mr. Gallinger called attention to the fact that European countries grant limited pensions.

Mr. Allison admitted that there had been an increase in the strength of the Army, but said the increase had been a nonpartisan measure. He also said that per capita expenditures on account of the military were smaller than those of any other country. He also defended the administration of the Post-Office Department as on the whole economical and honest.

Mr. Aldrich said that in the statement made by Mr. Allison many items were included which were never expended, and that while the statement was valuable for comparison, it did not indicate the exact state of affairs. In 1902, for instance, when the appropriations were \$730,000,000, the expenditures were only \$470,000,000. In 1899 the discrepancy was about \$400,000,000. Hence, Mr. Culbertson's figures did not show expenditures with even approximate correctness. He admitted, however, that the expenditures for the last year and the year before had been greater than for the years preceding the Spanish war, and necessarily so because of the growth of the country, the principal items of increase being on account of the Army and Navy. Mr. Aldrich also said that never since the Spanish-American war had the country been able to get back to a peace footing, although he hoped it might.

Referring to the charge of undue haste in adjourning, Mr. Aldrich said that Congress was about to adjourn because the public business had been completed. He thought the country was to be congratulated.

#### Senator Allison's Statement About Appropriations.

[Extract from record of Senate proceedings, April 23, 1904.]

Mr. ALLISON. Mr. President, I was very much interested, as I always am, in the plausible statements made by the Senator from Maryland [Mr. Gorman]. I was rather surprised to learn from him that we are closing this session under some sort of compulsion, and that we are refraining from attending to the necessary business of the country.

I do not know what further important business there is to be transacted. If the Senator from Maryland or any of his colleagues have presented important bills that ought to have been passed and pressed them in committee and in this Chamber at the present session, I am not aware of it.

I think the session about to adjourn has dealt with most, if not all, of the important questions that ought to be dealt with at this session. This being a long session, and another session coming later this year, subjects considered at this session go over on the calendar until the next session. I have been here a good many years, and I do not know an instance where all the bills that were presented by committees have been considered and passed during the first session of a Congress. Many of them go over for want of time, whatever the length of the session, as many of them fall at the close of a Congress.

Now, Mr. President, I wish to say only a few words more on the question of appropriations. First, let me call attention to the tables introduced by the Senator from Texas [Mr. Culbertson]. These are old and worn-out tables comparing the Administration of Mr. Cleveland in 1885 to 1889 with the Administration beginning in 1897.

Mr. CULBERTSON. No tables were presented by me for 1885.

Mr. ALLISON. Very well. I was not able to gather from the Senator's remarks amid the confusion how far back in our history he went, but I am perfectly certain he went as far back as 1893, and he compared the four years of President Cleveland, beginning in 1893, with the four years of President McKinley, beginning in 1897, and he compared the expenditures for those first four years with the expenditures under President McKinley, when the situation and condition of our country was wholly different.

I am surprised that the Senator from Texas made no allusion whatever to the conditions and the inheritance of President McKin-

ley after four years of President Cleveland. I do not speak now of that inheritance which spread disaster and distress in our country, but I speak of that inheritance which was derived from the situation in Cuba when President McKinley came into power.

The situation there was left in such a condition—I will not undertake to describe it—as made it necessary for President McKinley to deal with it on the very threshold of his Administration. That he dealt with it in a conservative way and sought to avoid the expenditures which followed no one now will deny; and that those expenditures were brought upon our country not by the Administration of President McKinley, but by the pressure that was made upon him in this body and in the other that he should enter upon a war with Spain unless they yielded to conditions that they would not yield to.

If you go back to the debates of that period, you will see that the pressure upon President McKinley was so great that the situation as respects that war was a situation that was claimed for the Democrats and by that party as a part of their policy. Mr. President, enough upon that point.

The Senator from Texas also undertakes to show that our expenditures for war purposes are far beyond the expenditures of the great powers of Europe, Germany, France, and the United Kingdom. He says that our expenditures for this current year and for the last year for war purposes amount to \$332,000,000, if I understood the table he brought forth.

Mr. CULBERSON. The expenses of the military establishment for 1903 amounted to \$339,000,000 in the United States.

Mr. ALLISON. The military establishment! What is the military establishment? It is the Army and the Navy. The Senator speaks of a military establishment and then includes a matter which is as foreign to our present military establishment as anything can possibly be. Is it possible that he charges the military establishment with the pensions that are granted to the survivors of the war of 1812, to the survivors of the war with Mexico, to the survivors of the great civil war of 1861 to 1865, for which we are still paying pensions? Mr. President, that can not be regarded as a fair statement of what the military establishment is.

Mr. CULBERSON. Mr. President, if the Senator will pardon me a moment, the total expenses of the military establishment of Great Britain, Germany, and France for 1903, as furnished me by the War Department, included pensions, and consequently a fair comparison on the part of the United States includes pensions also.

Mr. ALLISON. I do not know what the pensions of Great Britain may be, but they are very small in amount.

Mr. GALLINGER. If the Senator from Iowa will permit me, I will say that Great Britain pensions her soldiers only for wounds, not for disabilities incurred in the service; and I think the German pension system is even more restricted than that.

Mr. ALLISON. So, Mr. President, in order to show the great extravagance in our military establishment the Senator from Texas includes pensions, which are a gratuity and a recognition in some degree of the valuable services rendered by that great body of civilians who entered our Army in 1861 for purposes of preservation of the Union. So when we leave pensions out of that calculation, amounting, in round numbers, to \$151,000,000, we have, including every expenditure in the appropriations for the Army and Navy, only \$189,000,000.

Mr. CULBERSON. I call the Senator's attention to the fact that notwithstanding the total expenditures for pensions have been reduced yearly in the last four years there has been an enormous increase in the military establishment, showing that the increase is not affected by an increase in the pension list at all, but it is, on account of the War and Navy Department alone.

Mr. ALLISON. Mr. President, the fact is not disputed that we have increased our Army. Who increased it? It was not increased as a partisan measure. The measure was brought into this Chamber and carefully considered without regard to party lines. Nearly every Democrat voted for that increase of the Army upon conservative lines. Not every Democrat voted for that army bill; there were thirteen Senators, if I recollect rightly, who voted against it; but this Army of ours was regarded as a necessary army at the time by all parties, and it was increased to 100,000 men.

Mr. President. I shall not go further into this question except to say that as the exigency passed away our Army was reduced from 100,000 men to 59,000 men, where it now remains. So it is that in the bill for the current year, the regular appropriation for the Army is less than it was last year, and the appropriation for last year was less than for the year before.

Now, Mr. President, I want to call the attention of the Senator from Texas to another matter, and that is the general cost of maintaining the Government of the United States as compared with the cost of maintaining the governments of those countries of which he spoke.

I have here an extract from a table recently published by the Bureau of Statistics, which discloses that the expenditures per capita of the United Kingdom for the last year were \$37.60, the expenditures per capita for France were \$17.84, the expenditures per capita for the German Empire were \$9.45, and the expenditures for the United States were \$7.97 per capita. So, Mr. President, it appears that the appropriations for the maintenance of our Government, compared with similar appropriations of other govern-



ments, are the lowest of all the governments of which I have knowledge who maintain armies and navies, and who have a large civil list.

The Senator from Maryland seems to think that these appropriations and these expenditures are extravagant, and that the several Departments of the Government ought to be investigated. Mr. President, I am not opposed to proper investigation of any Department of the Government, but the Administration itself has investigated the irregularities and the corruption in the Post-Office Department, whatever they were.

Mr. President, I have only to say as respects the Post-Office Department, to which the Senator especially alluded, that, considering the great amount of labor accomplished in that service and the vast number of people who are employed in it, I do not believe there is or has been a more judicious, economical, and honest administration of any other Department of the Government than that of the Post-Office Department.

## GERMAN AMERICANS FOR ROOSEVELT.

[From Washington Star, May 2, 1904.]

The National Roosevelt League, composed of prominent American citizens of German descent from all sections of the United States with Richard Bartholdt of Missouri as president, was organized at the New Willard Hotel Saturday evening and plans were laid for carrying on an aggressive campaign to give Theodore Roosevelt the German-American vote in the approaching Presidential nominating convention and election in the fall.

The meeting was an enthusiastic one, and at its conclusion the following statement was given out by President Bartholdt:

"The National Roosevelt League issues the following statement to all citizens of German descent:

"On the eve of national election, we as citizens without regard to party who have at heart the welfare and the continued development of the United States, have resolved: To urge and support the nomination of the best and most able man available as candidate for the high office of the presidency. This man is Theodore Roosevelt.

"The man who is to be the executive head of this great nation must possess the following qualifications: A clear head, a warm heart, a strong sense of justice, persevering diligence, large experience and above all a firm character and a pure mind. No one can deny that Theodore Roosevelt possesses a clear head. He has proved this in his combats with the enemies of our country, but above all in his solution of the difficult diplomatic problems with which he has had to wrestle. He has given abundant evidence that he possesses a warm heart. Whenever the poor and the powerless needed protection, whether they were mine workers, helpless immigrants or needy veterans, Theodore Roosevelt was always ready to come to the rescue. When the mighty attempted to make themselves still more powerful it was Theodore Roosevelt who staid their hands. It takes a strong moral character to engage in combat with the forces of prejudice and with powerful interests. Theodore Roosevelt has never recoiled from the struggle. It stands to reason that his experience of over twenty years in public service enables him more expeditiously and wisely to solve important problems than any one lacking that experience.

"His greatest glory, however, consists in this: That he has faithfully executed the political testament of his memorable predecessor, the immortal martyr President, William McKinley, for only in his spirit has Theodore Roosevelt administered the presidential office.

"For these reasons, to which we may add the purity of his life, Theodore Roosevelt is the man of our choice. He certainly is to-day the first in the hearts of his countrymen. No mere politician could or should fill his place. We shall therefore use our utmost endeavors to secure his election."

Many addresses were made, principal among which was that of Mr. Arthur von Briesen of New York. Mr. von Briesen said in part:

### MR. VON BRIESEN'S ADDRESS

"We have met here in our double capacity of Germans and of citizens of the United States to discuss important questions



relating to the welfare of the country. Millions of our best citizens came from Germany, and found opportunities for development in every direction. The best way of showing our gratitude and our appreciation of what this beautiful country has offered us is to incorporate into this nation the best that is in us. The German element in America has already, I believe, done much in this direction. We have softened the harsh outlines of sober puritanism by the cultivation of the arts, particularly that of music. We have thoroughly adapted ourselves to the spirit of earnest endeavor and achievement which we found here, but have added to it the measure of gladness and joy which makes life worth living. As regards the Germanic principle of personal liberty, in contrast to the painful surveillance of the individual, we can show progress. In political matters the Germans here have attained great influence, because they look at them from the idealistic standpoint; they seek neither office nor emoluments of office. Their only aim is to have public affairs administered for the public good. In regard to the great parties our position differs from that of the majority of the citizens in that we have arrayed ourselves not under party leadership, but above it.

"The Democrat as well as the Republican earnestly strives to serve the country, to improve its institutions, and to enhance its authority. Both must, of course, be properly reined, like a team of spirited horses, and must be so guided that together they draw the triumphal chariot of the republic, even though occasionally one of the lively animals may snap at the other. However much at times a Republican steed wants to take a bite out of a Democratic charger, both are in the service of the commonwealth and must be guided with a firm hand to move in the direction in which we, not they, want to go. In control of such a team we need a man who knows the road before him, who knows the goal, who keeps the steeds under control, however much they may balk or try to run away, and who, without considering side issues or self interest, devotes himself entirely to the great duty before him. Our country needs a President who combines within himself these qualifications. Our country has such a President—Theodore Roosevelt. With remarkable ability he has managed to hold the reins of government firmly in hand. With incomparable tact he subordinated apparently contradictory local interests to the welfare of the whole country. He was aroused to serve measures only when confronted with corruption and dishonesty. To the oppressed and suffering his sympathy has always been extended. I shall never forget the charm of his manner when he met the poor immigrants at Ellis Island. No President before him has ever found it worth his while personally to inspect Ellis Island. As he stood among the newcomers and scanned their faces he invariably found something to please him, and gave expression of kindly thoughts: 'Look at that little blond-haired woman with her child in her arms—what a pretty sight!' 'That boy over there without parents or protection enters the new world—how promising he looks—he will become a good citizen!' 'See those stalwart men—that is the kind we need!'

"When the situation created by the trouble in the coal regions because almost intolerable and a solution seemed impossible it was our President who devised means for successfully terminating the conflict.

"How vast a power the President wields! He presses a button and thousands and hundreds of thousands are set in motion. For what purpose? For works of peace—as we have seen it to-day, as we have seen it during the entire period of his incumbency. With the aid of his competent advisers, he successfully avoided conflict of every kind with other nations. Courts of arbitration were set in motion, and where, as in Panama, unskilled action would have engendered inexpressible misery and bloodshed, Theodore Roosevelt, in the face of the severest criticism, brought about a solution by means entirely peaceful, which has been accepted by all parties in interest. He only who knows how to subordinate to the interests of peace great power which is intrusted to him deserves the full confidence of a people.

"When the immortal martyr-President, McKinley, fell a vic-

tim to the dastardly act of an assassin, and Theodore Roosevelt had to take up the reins of government that fell from his gentle hand, he declared that to the utmost of his ability he would administer the office in the spirit of his great predecessor. This promise Theodore Roosevelt has fully kept. I am convinced that before reaching any important decision he invariably asks himself what President McKinley would have done, and acts accordingly. Fearless and true, Roosevelt stands before us! Able, experienced, kindly and pure of heart! He is not a politician in the ordinary acceptance of the term. He does not seek riches or personal aggrandizement, nor has he ever sought public office. As far as I can recall every public office thus far held by him came to him unsolicited. The fact that he appointed Democrats to public office where he found them more competent than available Republicans, proves that he also stands above party.

"It follows that if we want to give this country the best man for President we must and will elect Theodore Roosevelt. He shall be our standard bearer. We will use our utmost endeavors to elect him, and shall then return to our ploughshares confident that public affairs are in the best of hands. I ask you to rise and pledge our new President and our future President—Theodore Roosevelt."

Others who spoke were Messrs. F. C. Winkle, Mr. F. J. Kaufmann, L. Markbreit, Representative Bartholdt, and H. C. Kudlich. All of the addresses were in German, except that of Mr. Kudlich.

Later in the day the members of the league called on President Roosevelt by appointment at the White House. Mr. von Briesen read to the President the resolutions adopted by the league and assured him of the hearty support of the German Americans. The President listened attentively to the remarks and at their conclusion said in part:

"My friends and fellow-Americans: I cannot well express what I feel, not merely at your action, but at the spirit and words. I know I do not deserve what you have said, but the fact of your having said it will make me more and more try to deserve it. I want to express my thanks for the heart you give me when you speak and treat me as you have to-day.

"I know you will give me credit for speaking the truth and not vainglorious flattery, because I am addressing you personally, when I say, in all seriousness, that I would a hundred—a thousand—fold rather lose this office and retire from public life than to forfeit the right to the friendship and regard you have shown.

"I want to express my feeling of the gratitude this country owes to its citizens of German extraction for raising the level of good citizenship. My greatest pleasure in the support you are giving me comes from the fact that the support is due not because of what I have done for you as German citizens, but because when I have lifted my hand in the cause of right you have tried to uphold me," and on this the delegates applauded approvingly. "A nation can go forward upon but one condition," continued the President, "and that is treating each upon his record as a man—desiring equality for all, but separating the good from the bad citizens."

The President told of the debt this country owes to its citizens of German parentage, notably in the one great crisis when the Union of the states was at stake. "There was dissension among the people of various sections," he said, "but there was none among the Germans. With them the application for support of the Union was certain of meeting unanimous response."

The President referred feelingly to the services of such distinguished German Union soldiers as General Osterhaus, and expressed the happiness it gave him to meet the general yesterday.

**Defense against injurious importations is as necessary and justifiable as is an army and navy.—Hon. B. F. Jones.**

**The United States is a continental nation and should adopt a continental policy. Free trade is adapted only to insular nations, and no continental nation has adopted a free-trade policy.—Ex-president Hill, of the University of Rochester.**



*Expenditures made for military and naval purposes in the United States, Austria-Hungary, France, Germany, Italy, Russia, and the United Kingdom of Great Britain and Ireland.*

[Prepared by the Bureau of Labor. The data for the United States are taken from Digest of Appropriations, published by the United States Treasury Department, and for foreign countries they are taken from the Statesman's Year Book. The figures for the United States include deficiency bills for preceding years.]

Country.	Year	War.	Navy.	Total.
United States.....	1903	a \$92,794,619.35	a \$75,049,781.29	a \$167,844,300.64
Austria-Hungary.....	1903	b 62,827,490.08	b 9,934,986.46	a 72,762,476.54
France.....	1903	b 137,228,000.00	b 59,212,156.43	b 196,435,156.43
Germany.....	1903	a 135,421,048.00	a 20,685,532.00	a 156,106,580.00
Italy.....	1903	b 54,405,687.33	b 24,543,031.05	b 78,948,718.38
Russia.....	1903	b 169,910,760.09	b 59,550,089.12	b 229,460,849.21
United Kingdom.....	1903	c 319,154,803.00	d 140,946,492.90	c 460,101,295.90

a Not including pensions.

b Report does not state whether pensions are included or not.

c Not including pensions, retired pay, etc., amounting to \$18,-142,312.

d Not including pensions, retired pay, etc., amounting to \$11,-158,397.85.

e Not including pensions, retired pay, etc., amounting to \$29,-300,709.85.

*Budgets of the principal nations of the world, showing relative growth since 1880.*  
[Compiled from tables published in the Congressional Record, by Representative Burton of Ohio.]

Year.	France.	Italy.	Austria-Hungary.	Russia.	Germany.	United Kingdom.	United States.
	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.
1880.....	604,185,389.09	274,103,758.12	347,151,363.43	357,253,533.01	128,763,125.81	409,301,221.22	162,404,647.76
1881.....	657,387,900.72	275,355,413.68	.....	369,062,251.67	128,342,128.32	399,028,789.16	154,118,212.64
1882.....	639,866,198.67	255,031,234.29	378,028,959.27	391,975,120.97	142,041,115.34	410,560,583.82	177,889,214.14
1883.....	689,764,212.93	301,727,566.92	.....	400,463,189.59	145,355,574.27	429,458,249.62	251,428,117.57
1884.....	653,384,032.73	149,035,833.85	.....	412,547,468.73	143,697,189.56	421,387,110.71	187,911,566.17
1885.....	640,588,901.64	261,180,392.23	382,139,999.52	445,622,146.46	145,264,014.00	437,489,697.36	137,451,397.77
1886.....	625,143,349.03	329,511,364.42	365,277,396.97	448,530,427.74	145,639,499.94	458,376,038.92	170,608,113.60
1887.....	604,810,138.78	345,356,873.24	.....	407,091,718.30	167,999,997.87	442,215,360.85	209,659,382.91
1888.....	683,695,344.91	347,739,135.74	350,255,474.01	383,740,279.73	215,251,484.00	428,428,454.42	193,035,861.13
1889.....	716,355,365.58	406,412,807.12	347,349,221.18	408,014,753.00	286,496,784.00	423,502,592.86	245,020,172.89
1890.....	728,905,490.50	358,576,022.05	356,795,901.90	432,038,799.14	225,459,066.00	422,038,297.07	218,115,439.80
1891.....	716,603,147.47	361,321,721.30	.....	457,189,927.72	299,860,484.00	430,743,370.61	287,722,488.96
1892.....	621,040,326.33	343,721,831.09	369,082,355.40	458,615,486.66	266,191,814.00	442,481,821.19	323,783,079.36
1893.....	646,104,457.18	326,985,196.40	502,535,544.46	474,240,931.88	291,247,026.00	443,190,013.74	304,710,196.75
1894.....	663,730,980.24	341,999,537.88	502,933,537.33	514,819,085.00	316,773,002.00	447,990,854.92	319,011,846.62
1895.....	660,811,496.07	346,972,084.84	510,089,801.33	576,951,002.05	306,197,948.00	460,067,644.05	301,788,819.78
1896.....	665,448,212.21	350,818,430.48	525,587,496.91	646,871,451.95	294,941,738.00	479,342,930.78	293,057,104.81
1897.....	653,375,924.41	332,643,439.06	538,333,945.67	671,777,649.66	301,551,950.00	497,964,297.85	302,786,385.98
1898.....	662,649,750.24	326,601,233.22	561,213,160.96	700,321,118.42	326,399,014.00	510,461,297.85	311,179,557.54
1899.....	671,172,778.26	328,547,081.22	580,875,234.67	746,760,180.11	343,095,802.00	529,548,372.69	673,050,293.63
1900.....	674,884,172.51	333,930,311.91	605,698,256.56	903,121,232.23	466,620,658.00	655,380,426.63	462,509,750.27
1901.....	685,990,362.92	336,319,902.23	620,115,156.80	928,937,553.92	527,675,036.00	898,354,084.80	457,152,142.98
1902.....	695,652,133.02	345,655,237.35	636,820,945.58	1,001,316,624.45	558,011,468.00	957,937,719.92	479,365,657.55
1903.....	.....	.....	.....	.....	559,238,704.53	.....	486,439,306.68



**PROGRESS OF THE UNITED STATES IN FINANCIAL, COM-  
MERCIAL, AND INDUSTRIAL CONDITIONS,  
1890 TO 1904.**

The tables which follow are an extract from the much-quoted table of the Statistical Abstract of the United States, entitled "Progress of the United States in its Material Industries, 1800 to 1903." Obviously it would be impossible, in a volume of this size and character, to give the figures for such a long term of years and for all of the subjects discussed in that table; but a section which shows conditions in 1850, 1860, 1870, 1875, 1880, 1885, and in each year from 1890 to date is reproduced here-which includes the period from 1890 to 1903 is reproduced here-with. It shows the progress in each of the great industries and financial operations which may be considered a measure of business conditions, and exhibits in plain figures the effect upon these industries and business undertakings of the free-trade experiment of the last Cleveland administration. In studying these it should be remembered that those of the Government, finance, and commerce are usually fiscal years (ending June 30) and that those of production in most cases relate to calendar years. These tables have attracted wide attention at home and abroad as a valuable bird's-eye view of the prosperity or otherwise of the country in the long term of years which they cover, and the section which relates to the period from 1890 to 1903 will prove convenient to those who desire to contrast conditions under the three tariffs which have existed during that period.

These tables occupy several successive pages following the one upon which these words are printed. They will repay a careful study. It will be seen that they present a bird's-eye view of the progress of the financial and industrial conditions of the country since a period ante-dating that at which the Republican party assumed control of the Government. Necessarily this could only be pictured in outline in a volume of this size, but it is sufficient to show the wonderful progress which the country has made under protection. But an equally important view is that presented by the figures which show conditions in each year since 1890. The downward movement, in everything except national indebtedness during the years of democracy and low tariff, is pictured in the figures of 1893, 1894, 1895, and 1896, and will repay a careful study. National debt and interest charges, government receipts and expenditures, money in circulation, bank clearings, bank deposits, life insurance in force, imports, exports, the commerce with the various parts of the world, the production of coal, iron, steel, tin plates, cotton goods, beet sugar, the value of farm animals, railway building, railway earnings, the business on the great lakes, the business activity of the country as measured by postal receipts, and many other matters are shown at intervals from 1850 to 1890 and in each year from 1890 to date.

Another series of tables immediately following these shows conditions in the more important factors of prosperity in each decennial year from 1800 to 1900 and in 1903. These will enable a measurement of the relative growth prior to 1860 and since the beginning of the period of protection which dates from that year, while the first mentioned tables showing figures for each year since 1890 will show the conditions during the low tariff period of a more recent date.

Another table of the series shows conditions of the railroads in each year from 1883 to 1902, (the detailed figures for 1903 being not yet available). This table will repay a careful study in the evidence it presents in regard to business activities in the various years of the period and especially those of the period 1893-6 compared with years preceding and following that date.

Following these are tables showing financial, commercial, and industrial conditions in the principal countries of the world, including the United States, and enabling a comparison of conditions in this country with those in other countries.

All of these tables are from the official publications of the Bureau of Statistics of the Department of Commerce and Labor.

*Progress of the United States in its material industries, 1850 to 1904.*

Years.	Population.	Interest-bearing debt.		Annual interest charge.	Interest per capita.	Treasury receipts—net ordinary. a	Government expenditures—net ordinary. b	Money in Circulation.	Circulation per capita.	Bank Clearings.	
		Dollars.	Dollars.							New York.	United States.
1850.....	23,191,876	63,432,774	3,782,393	.16	43,592,889	37,165,990	278,761,982	Dollars.	Dollars.	Dollars.	Dollars.
1860.....	31,443,321	64,640,838	3,443,678	.11	56,054,600	60,056,755	435,407,252	12.02	5,750,000,000	No data.	No data.
1870.....	38,558,371	2,046,725,052	118,784,960	3.08	395,959,834	164,421,507	675,212,794	13.85	7,231,143,057	"	"
1875.....	43,951,000	1,722,676,300	96,855,691	2.20	284,020,771	171,529,848	754,101,947	18.10	27,804,539,436	"	"
1880.....	50,155,783	1,723,993,100	79,633,981	1.59	333,526,501	169,090,062	973,382,228	17.16	25,061,237,902	"	"
1885.....	56,148,000	1,196,150,950	47,014,133	.84	323,690,706	208,840,679	1,292,568,615	19.41	37,182,128,621	"	"
1890.....	62,622,250	725,313,110	29,417,603	.47	403,080,983	261,637,203	1,429,251,270	23.02	25,250,791,440	"	"
1891.....	63,844,000	610,529,120	23,615,736	.37	392,612,447	317,825,549	1,497,440,707	22.82	37,660,686,572	"	58,845,279,505
1892.....	65,086,000	585,029,330	22,893,883	.35	354,937,784	321,645,214	1,601,347,187	23.42	34,053,698,770	"	57,298,737,938
1893.....	66,349,000	585,037,100	22,894,194	.35	385,819,629	356,213,562	1,596,791,245	24.56	36,279,905,233	"	60,883,572,438
1894.....	67,632,000	635,041,890	25,394,386	.38	297,722,019	339,683,874	1,660,808,708	24.52	34,421,379,870	"	58,880,682,455
1895.....	68,934,000	716,202,060	29,140,792	.42	313,390,075	325,217,268	1,601,968,473	24.52	24,230,145,368	"	45,028,496,746
1896.....	70,252,000	847,363,890	34,387,266	.49	326,976,200	316,794,417	1,506,434,966	23.20	28,264,379,126	"	50,975,155,046
1897.....	71,592,000	847,365,130	34,387,315	.48	347,721,705	327,983,049	1,640,209,519	21.41	29,350,894,884	"	51,935,651,733
1898.....	72,947,000	847,367,470	34,387,409	.47	405,321,335	405,783,537	1,837,859,895	22.87	31,337,760,948	"	54,179,545,030
1899.....	74,318,000	1,046,048,750	40,347,873	.54	515,960,620	565,175,255	1,904,071,881	25.15	39,853,413,948	"	65,924,820,769
1900.....	76,303,387	1,023,478,860	33,545,130	.44	567,240,852	447,553,458	2,055,150,998	25.58	37,368,230,771	"	88,828,672,533
1901.....	77,647,000	987,141,040	29,789,153	.38	587,685,338	477,624,374	2,175,307,962	26.94	51,964,588,564	"	84,582,450,081
1902.....	79,003,000	981,070,340	27,542,946	.35	562,478,233	442,082,813	2,249,390,551	27.98	77,020,672,494	"	114,819,792,086
1903.....	80,372,000	914,541,410	25,541,573	.32	560,396,674	477,542,658	2,367,692,169	28.43	74,753,189,436	"	116,021,618,003
1904.....								29.42	70,833,655,940	"	114,068,837,569

a "Net ordinary receipts" include receipts from customs, internal revenue, direct tax, public lands, and "miscellaneous," but do not include receipts from loans, premiums, or Treasury notes, or revenues of Post-Office Department.

b "Net ordinary expenses" include expenditures for War, Navy, Indians, pensions, and "miscellaneous," but do not include payments for interest, premiums or principal of public debt, or expenditures for postal service.

*Progress of the United States in its material industries—Continued.*

Year.	Bank Deposits.	Savings Bank Deposits.	Depositors in Savings Banks.	Life Insurance in force.				Imports of merchandise.		Exports of merchandise.		Excess of exports over imports.	Exports of domestic manufacture.
				Industrial.		Ordinary.		Total.	Total.				
				Number of Policies.	Amount.	Number of policies.	Amount.						
										Dollars.	Dollars.		
1850.....	Dollars. No data	Dollars. 43,431,130	Number 251,354	Not stated	Dollars. Not stated.	29,407	Dollars. 68,614,189	Dollars. 173,509,526	Dollars. 144,375,726	Dollars. c 29,133,800	Dollars. 17,580,456		
1860.....	" "	149,277,504	693,870	"	"	60,000	180,000,000	353,576,057	333,576,057	c 20,040,062	40,345,892		
1870.....	" "	549,874,358	1,630,846	"	"	839,226	2,262,847,000	435,958,408	392,771,768	c 43,186,640	68,279,764		
1875.....	2,182,512,774	924,037,304	2,359,864	.....	.....	.....	.....	533,005,436	533,442,711	c 19,562,725	92,678,814		
1880.....	2,134,234,861	819,106,973	2,335,582	236,674	20,533,469	679,690	1,564,183,532	667,954,746	835,638,658	167,683,912	102,856,015		
1885.....	No data	1,095,172,147	3,071,495	1,377,150	145,938,241	890,924	2,155,330,627	577,527,329	742,189,755	164,662,426	147,187,527		
1890.....	4,035,622,914	1,524,844,506	4,258,893	3,883,529	429,521,128	1,319,561	3,620,057,439	789,310,409	857,828,684	68,518,275	151,102,376		
1891.....	4,165,095,137	1,623,079,749	4,533,217	4,919,116	481,919,116	1,465,459	3,964,491,593	844,916,196	884,480,810	39,564,614	168,927,315		
1892.....	4,619,373,659	1,712,769,026	4,781,605	5,200,777	583,527,016	1,531,231	4,314,204,343	827,402,462	1,030,278,148	202,875,686	159,510,937		
1893.....	4,603,574,605	1,785,150,957	4,830,599	5,751,514	662,050,129	1,754,303	4,629,774,861	866,400,922	847,665,194	c 18,735,728	158,023,118		
1894.....	4,621,243,340	1,747,961,280	4,777,687	6,833,439	800,946,170	1,868,954	4,765,220,494	654,994,622	892,140,572	237,145,950	183,728,808		
1895.....	4,887,507,042	1,810,597,023	4,875,519	6,952,757	820,740,641	1,940,945	4,917,694,131	731,969,965	807,538,165	75,568,200	183,595,743		
1896.....	4,916,814,233	1,907,156,277	5,065,494	7,388,119	888,266,586	2,024,927	5,054,800,906	779,724,674	882,606,938	102,882,264	228,571,178		
1897.....	5,050,697,841	1,939,376,035	5,201,132	8,005,384	996,139,424	2,201,193	5,329,980,648	764,730,412	1,050,993,556	286,863,144	277,285,391		
1898.....	5,725,577,345	2,065,631,298	5,385,746	8,798,480	1,110,073,519	2,419,850	5,714,664,251	616,049,654	1,231,482,330	615,432,676	290,697,254		
1899.....	6,817,018,891	2,230,366,954	5,687,818	10,050,847	1,293,125,522	2,820,950	6,481,154,483	697,148,489	1,227,023,302	529,874,813	339,592,146		
1900.....	7,298,814,381	2,449,547,885	6,107,083	11,219,296	1,468,986,366	3,176,051	7,093,152,380	849,941,184	1,394,483,082	544,541,898	433,851,756		
1901.....	8,539,137,332	2,597,094,580	6,358,723	12,337,022	1,640,837,553	3,693,702	7,952,989,395	823,172,165	1,487,764,991	664,592,826	410,932,524		
1902.....	9,204,795,790	2,750,177,290	6,666,672	13,448,124	1,806,890,864	4,160,088	8,701,587,912	903,320,948	1,381,719,401	478,398,453	403,641,401		
1903.....	9,673,385,303	2,935,204,845	7,305,228	.....	.....	.....	.....	1,025,719,237	1,420,141,679	394,422,442	407,526,159		
1904.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....		

c Excess of imports over exports:



*Progress of the United States in its material industries—Continued.*

Year ending June 30—	Production.										Steel rails.
	Imports of raw material for manufac-turing.	Gold, excess of exports over imports.	Exports to Asia.	Exports to Oceania.	Imports of crude rubber.	Imports of pig tin.	Imports of tin plates.	Tin plates.	Pig iron.	Steel.	
	Dollars.	Dollars.	Dollars.	Dollars.	Pounds.	Dollars.	Pounds.	Pounds.	Tons.	Tons.	Tons.
1850	18,105,147	2,783,921	3,051,720	208,129	.....	654,410	.....	3,358,899	563,755	.....	.....
1860	61,570,477	55,937,253	11,067,921	5,373,497	.....	1,130,599	.....	8,513,123	821,223	.....	.....
1870	66,969,505	21,579,012	10,972,064	4,334,991	9,624,098	1,984,238	.....	32,863,000	1,665,179	68,750	30,357
1875	.....	53,284,184	13,972,305	4,276,979	12,035,909	2,327,212	190,663,200	46,686,000	2,023,733	389,799	259,699
1880	.....	c77,119,371	11,645,703	6,846,698	16,826,089	6,223,176	379,902,880	63,822,830	3,835,191	1,247,335	864,353
1885	160,055,876	c17,213,804	20,739,972	13,605,468	24,208,148	4,283,460	507,154,935	99,069,216	4,044,526	17,119,211	963,750
1890	119,609,342	4,331,149	19,696,820	16,460,269	33,842,374	6,898,909	680,000,925	140,866,931	9,202,703	4,277,071	1,871,425
1895	178,435,512	68,130,087	19,696,820	18,621,801	33,712,089	7,977,545	.....	150,505,954	8,279,870	3,904,240	1,298,936
1899	195,917,620	.....	25,553,308	15,572,767	39,976,205	8,667,870	422,176,202	160,115,242	9,157,000	4,927,581	1,541,407
1892	197,840,369	495,873	19,590,350	15,572,767	41,547,680	12,358,999	628,425,902	162,814,977	7,124,502	4,019,995	1,130,368
1893	218,310,959	87,506,463	16,222,354	11,199,477	41,547,680	2,640,770	454,160,826	166,343,409	6,657,888	4,412,032	1,017,098
1894	126,643,273	4,528,942	20,872,761	11,914,182	33,757,783	6,787,424	508,038,938	172,426,366	9,446,308	6,114,834	1,300,325
1895	187,482,743	30,083,721	17,325,057	13,109,231	39,741,607	6,701,716	385,138,983	171,416,390	8,623,127	5,281,689	1,117,663
1896	201,850,498	78,884,882	25,630,029	17,197,229	36,774,460	6,535,852	230,073,683	178,769,344	9,952,680	7,156,957	1,645,020
1897	207,288,155	c44,653,200	39,274,905	22,652,773	35,574,449	8,776,151	171,662,345	196,405,953	11,773,934	8,932,857	1,977,922
1898	188,940,718	c104,985,283	44,707,791	22,003,022	46,055,497	11,843,357	108,484,826	226,553,564	13,620,703	10,639,857	2,271,108
1899	218,110,941	c51,432,517	48,360,161	29,875,015	51,063,066	19,111,491	147,980,312	240,788,238	13,788,242	10,188,329	2,384,987
1900	299,351,033	3,693,375	64,913,807	43,391,275	49,377,138	19,805,552	894,411,840	261,873,675	15,878,354	13,473,595	2,872,909
1901	270,701,511	c12,866,010	49,390,712	35,392,401	55,275,529	19,463,736	819,840,000	269,361,050	17,821,307	14,947,250	2,941,421
1902	328,506,597	c3,452,304	38,944,077	34,258,041	50,413,481	23,618,765	.....	.....	18,009,252	.....	.....
1903	383,634,293	c2,108,568	58,359,016	37,468,512	55,010,571	.....	.....	.....	.....	.....	.....

c Excess imports.

b Last six months.

a Hawaiian Islands not included since 1900.







*Progress of the United States in its area, population, and material industries.*  
[From the Commerce and Finance of the United States for April, 1904.]

Items,	1800.	1810.	1820.	1830.	1840.	1850.	1860.	1870.	1880.	1890.	1900.	1903.
Area a.....sq. miles..	827,844	1,999,775	2,059,043	2,059,043	2,059,043	2,980,959	3,025,600	3,025,600	3,025,600	3,025,600	3,025,600	3,025,600
Population.....	5,308,483	7,239,881	9,658,453	12,866,020	17,069,453	23,191,876	31,443,321	38,558,371	50,155,781	62,622,250	76,303,387	80,372,000
Population, square mile.	641	3.62	4.68	6.25	8.29	7.78	10.39	12.74	16.57	20.70	25.22	26.56
Wealth.....	.....	.....	.....	.....	.....	7,135,780,000	16,159,616,000	30,068,518,000	42,642,000,000	65,037,091,000	194,300,000,000	.....
Wealth per capita.....	.....	.....	.....	.....	.....	307.69	513.93	773.83	850.20	1,038.57	1,235.86	.....
Debt, less cash in Treasury.....	82,976,294	53,173,218	91,015,566	48,565,407	3,573,344	63,452,774	59,964,402	2,331,169,956	1,919,326,748	890,784,371	1,107,711,258	925,011,637
Debt per capita.....	15.63	7.34	9.42	3.77	.21	2.74	1.91	60.46	38.27	14.22	14.52	11.51
Interest-bearing debt.....	82,976,294	53,173,218	91,015,566	48,565,406	3,573,344	63,452,774	64,640,838	2,046,455,722	1,723,993,100	725,313,110	1,023,478,860	914,541,410
Annual interest charge.....	.....	.....	.....	.....	.....	.....	3,443,687	118,784,960	79,633,981	29,417,603	33,545,130	25,541,573
Interest per capita.....	.....	.....	.....	.....	.....	.....	.11	3.08	1.59	.47	.44	.32
Gold coined.....	317,760	501,435	1,319,030	643,105	1,675,483	31,981,739	23,473,654	23,198,788	62,308,279	20,467,183	99,272,943	43,683,971
Silver coined.....	224,296	638,774	501,681	2,495,400	1,726,703	1,866,100	2,259,390	1,378,256	27,411,694	39,202,908	36,342,321	19,874,440
Gold in circulation.....	16,000,000	27,000,000	22,300,000	26,344,295	79,336,916	147,395,456	h228,304,775	h25,000,000	68,692,345	110,311,336	142,050,334	617,260,739
Gold certificates in circulation.....	.....	.....	.....	.....	.....	.....	.....	.....	5,789,569	297,556,238	408,465,574	454,733,013
Silver certificates in circulation.....	.....	.....	.....	.....	.....	.....	.....	.....	327,895,457	334,638,977	313,971,545	334,248,567
U. S. notes outstanding.....	.....	.....	.....	.....	.....	.....	.....	.....	337,415,178	181,604,937	300,115,112	399,996,709
Nat. bank notes outstanding.....	.....	.....	.....	.....	.....	.....	.....	.....	79,008,942	.....	79,008,942	19,076,648
Miscellaneous currency.....	10,500,000	28,000,000	44,800,000	61,000,000	106,968,572	131,366,526	207,102,477	36,602,075	973,382,228	1,429,251,270	2,055,150,998	2,367,692,169
Circulation of money.....	26,500,000	55,000,000	67,100,000	87,344,295	186,305,488	278,761,982	435,407,252	675,212,794	19,411	22,82	26,94	29,42
Per capita.....	5.00	7.59	6.94	6.79	10.91	12.02	13.85	17.50	19.41	22.82	26.94	29.42
National banks.....No.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Capital.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Bank clearings, N. Y.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Total, U. S.....	.....	.....	.....	.....	.....	.....	7,231,143,057	27,804,539,406	37,182,128,621	642,073,676	621,536,461	743,506,048
Deposits in national banks.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Savings banks.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Depositors, savings banks.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Farms and farm property.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Farm products, value.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Mfg. establishments.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Value of products.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Receipts—Net ordinary.....	10,848,749	9,384,214	17,840,670	24,844,117	19,480,115	43,592,889	1,885,861,676	4,232,325,442	5,369,579,191	9,372,437,283	13,039,279,566	.....
Customs.....	9,080,933	8,583,309	15,005,612	21,922,391	13,496,502	39,668,686	395,959,834	333,526,501	403,080,983	567,240,852	560,396,674	.....
Internal revenue.....	809,397	7,431	106,261	12,161	1,682	.....	194,538,374	126,022,065	229,668,583	233,164,871	284,479,582	.....
Expenditures—Net ordinary.....	7,411,370	5,211,082	13,134,531	13,299,533	24,139,920	37,165,990	60,056,755	164,421,507	169,090,062	261,637,203	447,553,458	477,542,658
War.....	2,560,879	2,294,324	2,630,392	4,767,129	7,095,267	9,687,025	16,472,203	57,655,675	38,116,916	44,582,838	134,774,768	118,619,520
Navy.....	3,448,716	1,654,244	4,387,990	3,239,429	6,113,897	7,904,725	11,514,650	21,780,230	13,536,985	22,006,206	55,953,078	82,618,034

(a) Except Alaska and islands.

Progress of the United States in its Area, Population, and Material Industries.—Continued.

Items.	1800.	1810.	1820.	1830.	1840.	1850.	1860.	1870.	1880.	1890.	1900.	1903.
Pensions.....	64,131	83,744	3,208,376	1,363,297	2,603,562	1,866,886	1,100,802	28,340,202	56,777,174	106,936,855	140,877,316	138,425,646
Int. on public debt.....	3,402,601	3,163,671	5,151,004	1,912,575	174,598	3,872,393	3,144,121	129,235,498	95,757,575	36,099,284	40,160,333	28,556,349
Imports of merchandise.....	91,252,768	85,400,000	74,450,000	62,720,956	98,258,706	173,509,526	353,616,119	435,958,408	667,954,746	789,310,409	849,941,184	1,025,719,237
Per capita.....	17.19	11.80	7.71	4.87	5.76	7.48	11.25	11.06	12.51	12.35	10.88	12.54
Exports of merchandise.....	70,971,780	66,757,970	69,691,669	71,670,735	123,668,932	144,375,726	333,576,057	392,771,768	835,638,658	857,828,684	1,394,483,082	1,420,141,679
Per capita.....	13.37	9.22	7.22	5.57	7.25	6.23	10.61	m 9.77	16.43	13.50	17.96	17.32
Imports—Silk, raw.....								583,589	2,562,236	7,347,909	13,043,714	15,270,600
Rubber, crude.....								9,624,098	16,826,099	33,842,374	49,377,138	55,010,571
Tin plates.....								150,932,768	379,902,880	680,060,925	147,963,804	109,913,293
Iron, steel, and mfrs.....				6,346,287	8,157,923	20,145,067	26,158,235	40,273,682	71,266,699	41,679,591	20,478,728	51,617,312
Domestic exports—Iron, steel, and manufactures.....	52,144	91,914	46,552	322,747	1,127,877	1,953,702	5,870,114	13,483,163	14,716,524	25,542,208	121,913,548	96,642,467
Agricultural products.....	25,590,534	33,448,416	41,603,749	46,977,332	92,548,067	108,605,713	256,560,972	361,188,483	685,961,091	629,820,808	835,858,123	873,322,882
Manufactures.....	2,493,755	3,951,154	3,943,793	6,641,016	11,149,621	17,580,456	40,345,982	68,279,764	102,856,015	151,102,376	433,851,756	407,526,159
Farm animals, value.....						544,180,516	1,089,329,915	1,524,960,149	1,576,917,556	2,418,766,028	2,228,123,134	3,102,515,540
Cattle.....	No.				14,971,586	17,778,907	25,616,019	25,484,100	33,258,000	52,801,907	43,902,414	61,764,433
Horses.....	No.				n 4,335,669	4,336,719	6,249,174	8,248,800	11,201,800	14,213,837	13,537,524	16,557,373
Sheep.....	No.				19,311,374	21,723,220	22,471,275	40,853,000	40,765,900	44,336,072	41,883,065	63,964,876
Mules.....	No.					559,331	1,151,148	1,179,500	1,729,500	2,331,027	2,086,027	2,728,088
Swine.....	No.				26,301,293	30,354,213	33,512,867	26,751,400	34,034,100	51,602,780	37,079,356	46,922,624
Production of gold.....	\$.	0 2,463	0 73,112	0 564,950	0 11,697,829	50,000,000	46,000,000	50,000,000	36,000,000	32,845,000	79,171,000	74,425,340
Silver.....	\$.		365	179,734	864,379	50,000	150,000	16,000,000	39,200,000	70,486,000	74,533,495	73,076,106
Coal p.....	tons.						18,513,123	32,863,000	63,822,830	140,866,931	240,788,238	
Petroleum.....	galls.					3,358,899	220,951,230	1,104,017,166	1,924,552,232	2,661,233,568		
Pig iron.....	tons.		20,000	165,000	286,903	563,755	821,223	1,665,179	3,835,191	9,202,703	13,789,242	18,009,252
Steel.....	tons.							68,750	1,247,335	4,277,071	10,188,329	
Tin plates.....	lbs.									q 2,236,743	677,969,600	
Copper.....	tons.									115,966	270,588	
Wool.....	lbs.				35,802,114	52,516,959	60,264,913	162,000,000	232,500,000	276,000,000	288,636,621	287,450,000
Wheat.....	bush.				84,823,272	100,485,944	173,104,924	235,884,700	498,549,868	399,262,000	522,229,505	637,831,835
Corn.....	bush.				377,531,875	592,071,104	838,792,740	1,094,255,000	1,717,434,543	1,489,970,000	2,105,102,516	2,244,176,925
Cotton.....	bales.	155,556	340,000	606,061	976,845	2,177,835	4,861,292	3,114,592	5,761,252	7,311,322	9,436,416	10,737,559
Cane sugar.....	tons.				69,246	110,536	190,040	46,800	92,802	136,503	149,191	293,397
Sugar consumed.....	tons.				107,177	239,409	428,785	607,834	956,784	1,476,377	2,219,847	2,549,643
Cotton taken by mills.....	bales.					595,000	979,000	857,000	1,795,000	2,325,000	3,644,000	3,924,000
Cotton exported.....	lbs.								1,822,061,114	2,471,799,853	3,100,583,188	3,543,043,022
Railways operated.....	miles				298,459,102	743,941,061	1,767,686,338	958,558,523	1,822,061,114	2,471,799,853	3,100,583,188	3,543,043,022
Passengers carried.....	No.				23	2,818	30,626	52,922	93,262	166,654	194,324	584,635,935
Freight carried 1 mile.....	tons.									520,439,082	141,162,109,413	

*Railways in the United States, their capital stock and dividends, debt and rate of interest paid, passengers and freight carried, and rates received per mile for same, earnings per mile of road, and percentage of expenses to earnings, from 1883 to 1902.*

[Compiled from Poor's Railway Manual.]

Year.	Length of lines.	Capital stock.	Dividends. (Per cent of stock.)	Funded debt.	Interest, (Per cent of bonds and debt.)	Passengers carried.	Average receipts per passenger per mile.	Freight carried.	Freight rates, wheat, Chicago to New York, per bushel.		Average receipts per ton per mile.	Earnings per mile of road in operation.		Percentage of expenses to earnings.
									Lake and all rail.	All rail.		Gross.	Net.	
	Miles.					Tons.	Cents.		Cents.	Cents.	Cents.	\$		
1883.....	120,519	\$3,675,793,383	2.77	\$3,479,411,914	4.58	312,686,641	2.42	400,453,439	11.5	16.5	1.22	\$7,405	\$2,679	63.82
1884.....	125,119	3,726,655,041	2.48	3,647,312,772	4.54	334,570,766	2.36	399,074,749	9.95	13.12	1.13	6,663	2,318	65.21
1885.....	127,689	3,778,609,737	2.02	3,740,255,066	4.65	351,427,688	2.20	437,040,099	9.02	14.0	1.06	6,265	2,185	65.12
1886.....	133,565	3,956,377,498	2.04	3,853,748,330	4.53	382,284,972	2.19	482,245,254	12.0	16.5	1.04	6,570	2,376	63.84
1887.....	147,953	4,146,958,214	2.18	4,155,628,116	4.54	428,225,513	2.28	552,074,752	12.0	15.74	1.03	6,861	2,444	64.45
1888.....	154,222	4,392,287,224	1.77	4,585,471,523	4.20	451,353,655	2.25	190,857,353	11.0	14.5	.98	6,540	2,045	68.72
1889.....	159,934	4,447,103,600	1.81	4,784,173,271	4.23	494,808,421	2.17	619,165,630	8.7	15.0	.97	6,455	2,068	67.95
1890.....	163,359	4,590,471,560	1.80	5,055,225,025	4.13	520,439,082	2.17	691,344,437	8.5	14.31	.93	6,822	2,162	68.33
1891.....	167,846	4,751,750,498	1.85	5,180,227,024	4.14	556,015,802	2.18	704,398,609	8.53	15.0	.93	6,852	2,136	68.83
1892.....	171,805	4,863,119,073	1.93	5,406,955,004	4.16	575,769,678	2.17	730,605,011	7.55	14.23	.94	9,852	2,068	69.82
1893.....	175,442	5,021,576,551	1.88	5,510,225,528	4.14	597,056,539	2.07	757,464,480	8.44	14.7	.89	6,963	2,069	70.29
1894*.....	178,054	5,027,604,717	1.64	5,605,775,764	4.04	569,660,216	2.03	674,714,747	7.0	12.88	.86	6,054	1,803	70.22
1895*.....	179,821	5,181,373,599	1.58	5,648,659,436	4.09	529,756,259	2.07	755,799,883	6.95	12.17	.84	6,097	1,804	70.41
1896*.....	181,394	5,373,187,619	1.52	5,461,856,798	4.33	535,120,756	2.03	773,868,716	7.32	12.0	.82	6,233	1,840	70.43
1897*.....	183,547	5,602,964,449	1.49	5,434,432,492	4.06	504,106,525	2.03	788,385,448	7.37	12.32	.80	6,228	1,884	69.74
1898.....	184,894	5,581,522,858	1.70	5,635,363,594	4.03	514,982,888	1.99	912,973,553	4.96	11.55	.76	6,771	2,111	68.16
1899.....	187,781	5,742,181,181	1.90	5,644,858,027	4.12	537,977,301	2.00	975,789,941	6.63	11.13	.73	7,161	2,272	68.27
1900.....	192,162	5,804,346,250	2.42	5,758,592,754	4.12	584,698,935	2.03	1,071,431,919	5.05	9.98	.75	7,826	2,519	68.93
1901.....	195,887	5,978,796,249	2.62	6,035,469,741	4.12	600,485,790	2.03	1,084,066,451	5.37	9.92	.76	8,270	2,668	67.73
1902.....	199,685	6,078,290,596	2.93	6,465,290,839	4.03	655,130,236	2.03	1,192,136,510	5.78	10.60	.76	8,696	2,830	67.45

\*Democratic and low-tariff years.  
For table showing railways under receivership and sold under foreclosure, see opposite page.



Financial and commercial statistics of the principal countries of the world in latest available year (1902 in most instances).

Area.	Population	Foreign commerce			Revenue.	Expenditure	Excess of revenues (+) or expenditures (-).	Debt.		Rates of interest.	Per capita of		
		Imports.	Exports.	Excess of exports (+) or imports (-).				Total.	Debt.		Debt.	Interest.	Revenue.
Sq. miles		Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.		Dollars.	Dollars.	Dollars.
Argentina.....	4,794,000	99,433,000	173,205,000	+	62,723,000	60,757,000	+	1,966,000	479,765,265	4½-6	100.08	7.30	13.08
Australasia.....	3,772,573	203,644,000	213,713,000	+	140,755,000	142,148,000	-	1,393,000	1,084,605,444	3-5	287.54	11.13	37.32
Austria-Hungary.....	45,405,000	349,283,000	387,526,000	+	75,896,000	75,896,000	.....	.....	1,107,464,025	3-4	24.39	1.12	1.67
Austria.....	26,151,000	.....	.....	.....	350,509,000	350,424,000	+	85,000	739,020,208	3-5½	28.26	1.31	13.40
Hungary.....	19,254,000	.....	.....	.....	220,672,000	221,649,000	-	977,000	1,038,585,000	3-4	53.93	2.55	11.46
Belgium.....	11,373	439,282,000	358,464,000	-	122,657,000	116,500,000	+	6,157,000	544,052,979	2½-3	81.28	4.14	18.32
Brazil.....	14,334,000	113,288,000	177,323,000	+	137,295,000	99,366,000	+	37,929,000	23,947,043	4-6	37.72	1.67	9.58
Canada.....	5,457,000	224,814,000	213,782,000	-	58,051,000	50,759,000	+	7,292,000	271,829,090	2½-5	49.81	2.53	10.64
Chile.....	279,901	48,336,000	61,879,000	+	38,684,000	44,001,000	-	5,317,000	107,304,151	4½-5	35.17	1.55	12.68
China.....	407,253,000	198,364,000	134,720,000	+	62,710,000	71,896,000	-	9,186,000	613,140,000	4-8	1.50	.07	.15
Cuba.....	1,532,420	58,826,000	77,849,000	+	18,791,000	19,515,000	-	724,000	.....	.....	.....	.....	11.95
Denmark.....	43,000	2,465,000	85,733,000	+	20,306,000	20,792,000	-	486,000	66,033,849	3-4	26.61	.89	8.24
Egypt.....	15,360	116,714,000	87,733,000	+	30,981,000	29,792,000	+	3,540,000	500,743,871	3-4½	51.44	2.23	6.17
France.....	38,962,000	848,046,000	820,671,000	-	60,051,000	56,511,000	+	26,000	5,856,706,403	3-3½	150.32	5.85	17.85
German Empire.....	208,830	1,340,178,000	1,113,313,000	-	495,853,000	553,222,000	-	57,369,000	698,849,400	3-3½	11.94	.12	8.47
India, British.....	1,766,642	255,614,000	408,396,000	+	371,531,000	346,440,000	+	25,091,000	1,102,905,139	3-4½	3.74	3.52	1.26
Italy.....	110,646	32,475,000	284,177,000	-	375,000,000	356,492,000	+	18,508,000	2,560,605,000	3-5	78.85	.47	11.54
Japan.....	147,655	45,862,000	127,326,000	-	133,039,000	132,895,000	+	144,000	261,857,143	4-5	5.71	.67	2.90
Mexico.....	767,060	13,545,000	88,200,000	+	29,171,000	27,819,000	+	1,352,000	175,945,345	3-5	12.96	2.61	2.15
Netherlands.....	12,563	5,347,000	732,975,000	-	61,526,000	61,468,000	+	58,000	463,150,904	2½-3	86.62	1.18	11.50
Norway.....	124,130	2,263,000	78,869,000	+	27,000,000	27,259,000	-	259,000	70,376,355	3-3½	31.09	.....	11.93
Peru.....	713,859	21,062,000	17,938,000	-	7,533,000	7,016,000	+	517,000	23,159,700	.....	5.02	1.07	1.63
Russia.....	8,660,395	141,000,000	392,215,000	+	1,101,077,000	1,116,095,000	+	14,988,000	3,414,061,734	3-5	24.21	4.32	7.81
Spain.....	18,618,000	175,499,000	154,164,000	+	197,077,000	187,846,000	+	9,231,000	2,061,389,972	4-5	110.72	.61	10.58
Sweden.....	194,783	134,603,000	105,154,000	-	49,712,000	49,593,000	+	119,000	92,833,336	3-4	17.86	.25	9.56
Switzerland.....	15,976	217,803,000	168,741,000	-	20,691,000	20,563,000	+	128,000	17,400,567	3½	5.18	3.29	6.16
United Kingdom.....	41,961,000	2,571,416,000	1,379,283,000	-	737,526,000	897,790,000	-	160,264,000	3,885,166,333	2½-2¾	92.59	36	17.57
United States.....	3,025,600	1,025,719,000	1,392,231,000	+	694,621,000	644,883,000	+	49,738,000	925,011,637	2-5	11.51	.....	8.64

# VALUE TO LABOR OF THE DEVELOPMENT OF OUR IRON AND STEEL INDUSTRIES.

The value to labor and to the industrial and commercial interests of the United States of the development of the iron and steel industry under protection will be apparent when it is realized that the wages and salaries paid in iron and steel manufacture in the United States have increased from \$40,000,000 in 1870 to \$132,000,000 in 1900. The growth and importance to labor of the iron and steel industry is illustrated by the following table, the figures being a part of the official report of the United States Census of 1900:

*Iron and steel manufacturing: comparative summary, 1870 to 1900, with per cent of increase for each decade.<sup>1</sup>*  
(From United States Census of 1900.)

	Date of census.				Per cent of increase.		
	1870 (2).	1880 (2).	1890.	1900.	1870 to 1880.	1880 to 1890.	1890 to 1900.
Number of establishments.....	808	792	719	669	(3) 2.0	(3) 9.2	(3) 7.0
Capital.....	\$121,722,704	\$209,904,965	(4) \$414,044,844	\$590,530,484	72.4	97.3	42.6
Salaries.....	(4)	(4)	4,355	9,217	.....	.....	113.1
Wage-earners, average number.....	(4)	(4)	\$6,462,236	\$11,741,788	.....	.....	81.7
Total wages.....	77,555	(7) 140,798	171,181	222,607	81.5	21.6	30.0
Men, 16 years and over.....	\$40,514,981	\$55,451,510	\$89,273,956	\$120,836,338	36.9	61.0	35.4
Wages.....	75,037	133,023	168,943	219,635	77.3	27.0	30.0
Women, 16 years and over.....	(4)	(4)	\$88,840,642	\$120,157,007	.....	.....	35.3
Wages.....	(4)	(4)	58	1,071	(3) 45.1	28.9	1,746.6
Children, under 16 years.....	(4)	(4)	\$17,106	\$266,888	.....	.....	1,460.2
Wages.....	2,436	7,730	2,180	1,901	217.3	(3) 71.8	(3) 12.8
Miscellaneous expenses.....	(4)	(4)	\$416,208	\$412,443	.....	.....	(3) 0.9
Cost of materials used.....	(5)	(5)	\$18,214,948	\$92,274,100	.....	.....	77.2
Value of products (2.224 pounds each).....	\$135,526,132	\$191,271,150	\$327,272,845	\$522,431,701	41.1	71.1	59.6
Tons of products (2.224 pounds each).....	\$207,208,696	\$236,557,685	\$478,687,519	\$804,034,918	43.1	61.4	68.0
	3,263,585	6,486,733	16,264,478	29,507,860	98.8	150.7	81.4

<sup>1</sup> This summary includes only active establishments for 1880, 1890, and 1900; such establishments were not reported separately in 1870. The 669 establishments in 1900 include 1 penal institution, the figures for which are not included in Parts I and II of the Report on Manufactures.  
<sup>2</sup> For explanation of the apparent discrepancies in the data for 1870 and 1880, see remarks, page 2, Part I, Manufacturing Industries, 1890, in regard to the depreciated currency in 1870; and in regard to the inclusion of capital, employees, and wages relating to mining and other operations in the figures for 1880, see page 745, Statistics of Manufactures, 1880.  
<sup>3</sup> Decrease.  
<sup>4</sup> Not reported separately.  
<sup>5</sup> Not reported.

We have made the deed square with the word.—From President Roosevelt's speech of acceptance.

Our opponents, if triumphant, may be trusted to prove false to every principle which, during the last eight years, they have laid down as vital.—From President Roosevelt's speech of acceptance.

# Iron and Steel Production in the United States and Fall of Prices Under Increased Production.

This table shows the production of iron and steel from 1880 to 1903, the imports and exports, and the prices of certain grades of manufacture. Attention is called to the fact that in this highly protected article the competition within the United States has reduced the price of both the lower and the higher grades of manufacture. Attention is also called to the fact that the great home demand in 1903, which was in excess of the home production, caused a large increase in importation, showing that the charge that the tariff is prohibitive is not sustained by the experience of the year.

*Twenty years of production of iron and steel in the United States under the protective system, showing decrease in prices to home consumers, reduction in importations, and increase in exportations.*

[From official reports of Treasury, Bureau of Statistics.]

Year.	Pig iron produced in United States.	Crude steel Produced in United States.	Per cent of domestic iron used in home industries.	Price per ton of pig iron, No. 1 foundry.	Price of steel rails per ton.	Wire nails, price per keg of 100 lbs.	Imports of manufactures of iron and steel.	Exports of manufactures of iron and steel.
	Tons.	Tons.						
1880.....	3,835,191	1,247,335	78.44	\$28.50	\$67.50	.....	\$71,266,699	\$14,716,524
1881.....	4,144,254	1,588,314	90.23	25.12	61.13	.....	60,604,477	16,608,767
1882.....	4,623,323	1,736,692	89.36	25.75	48.50	.....	67,976,897	20,748,206
1883.....	4,595,510	1,673,535	91.44	22.88	37.75	.....	58,495,246	22,826,528
1884.....	4,097,868	1,550,879	94.20	19.88	30.75	.....	40,147,053	21,909,881
1885.....	4,044,526	1,711,920	96.43	18.00	28.50	.....	33,610,093	16,592,155
1886.....	5,683,329	2,562,503	93.92	18.71	34.50	.....	37,534,078	15,745,569
1887.....	6,417,148	3,339,071	93.13	20.92	37.08	.....	49,203,164	15,958,502
1888.....	6,489,738	2,899,440	95.17	18.88	29.83	.....	48,992,757	17,763,034
1889.....	7,603,642	3,385,732	97.35	17.75	29.25	.....	42,377,793	21,156,077
1890.....	9,202,703	4,277,071	98.10	18.40	31.75	.....	41,679,501	25,542,208
1891.....	8,979,870	3,904,240	99.01	17.52	30.92	.....	53,544,372	28,909,614
1892.....	9,157,000	4,927,581	99.12	15.75	30.00	.....	28,928,103	28,800,930
1893*.....	7,124,502	4,019,995	99.64	14.52	28.12	.....	34,937,974	30,106,482
1894*.....	6,657,388	4,412,032	99.79	12.66	24.00	.....	20,925,769	29,220,264
1895*.....	9,446,308	6,114,834	99.07	13.10	24.33	.....	23,948,515	32,000,989
1896*.....	8,623,127	5,281,689	99.74	12.95	28.00	.....	25,335,103	41,160,877
1897.....	9,652,680	7,156,957	99.66	12.10	18.75	.....	16,094,557	57,497,882
1898.....	11,773,934	8,932,857	99.80	11.66	17.62	.....	12,626,431	70,406,885
1899.....	13,620,703	10,739,857	99.85	19.36	28.12	.....	12,100,440	93,716,031
1900.....	13,789,242	10,188,329	98.77	19.98	32.29	.....	20,478,728	121,913,548
1901.....	15,878,354	13,473,595	99.66	15.87	27.33	.....	17,874,789	117,319,320
1902.....	17,821,307	14,947,250	99.90	22.19	28.00	.....	27,180,247	98,552,562
1903.....	18,009,252	.....	99.90	19.92	28.00	.....	51,617,312	96,642,467

a Not made in commercial quantities in the United States before 1887.

\*Democratic and low-tariff years.



*Comparative summary of railway employees, by class and per 100 miles of line, for the years ending June 30, 1892 to 1902.*  
 [From the report on statistics of railways in the United States. Published by the Interstate Commerce Commission.]

Class.	1892.		1893.		1894.		1895.		1896.		1897.		1898.		1899.		1900.		1901.		1902.	
	Num- ber.	Per 100 miles of line.	Num- ber.	Per 100 miles of line.	Num- ber.	Per 100 miles of line.	Num- ber.	Per 100 miles of line.	Num- ber.	Per 100 miles of line.	Num- ber.	Per 100 miles of line.	Num- ber.	Per 100 miles of line.	Num- ber.	Per 100 miles of line.	Num- ber.	Per 100 miles of line.	Num- ber.	Per 100 miles of line.	Num- ber.	Per 100 miles of line.
General officers.....	6,104	4	6,610	4	5,257	3	5,407	3	5,372	3	4,890	3	4,956	3	4,832	3	4,916	3	4,780	2	4,816	2
Other officers.....	25,469	16	27,584	16	1,778	1	2,534	1	2,718	1	3,830	2	3,925	2	4,294	2	4,669	2	4,923	3	5,039	3
General office clerks.....	26,829	16	28,019	17	24,779	14	26,583	15	26,328	14	26,837	15	26,845	15	29,371	16	32,265	17	34,778	18	37,570	19
Station agents.....	69,511	43	75,181	44	71,150	41	73,569	41	75,919	42	74,569	41	78,003	43	83,910	45	89,851	47	94,847	49	105,433	53
Other station men.....	36,739	23	38,781	23	35,466	20	34,718	20	35,851	20	35,667	19	37,939	20	39,970	21	42,837	22	45,292	23	48,318	24
Engineers.....	37,747	23	40,359	24	36,327	21	35,516	20	36,762	20	36,735	20	38,925	21	41,152	22	44,130	23	47,166	24	50,651	25
Firemen.....	26,042	16	27,537	16	24,823	14	24,776	14	25,457	14	25,322	14	26,876	15	28,232	15	29,937	16	32,092	16	35,070	18
Conductors.....	68,732	42	72,959	43	63,417	36	62,721	35	64,806	36	63,673	35	66,968	36	69,497	37	74,274	39	84,493	43	91,383	46
Other trainmen.....	28,783	18	30,869	18	29,245	16	27,740	16	29,272	16	28,299	15	28,832	16	30,377	16	32,831	17	34,698	18	39,145	19
Machinists.....	40,080	25	41,878	25	36,328	21	35,564	20	38,846	21	37,740	20	40,374	22	42,501	23	46,666	24	48,946	25	51,698	26
Carpenters.....	87,615	54	93,709	55	84,359	48	88,661	50	95,613	53	91,415	50	99,717	54	103,937	55	114,773	60	120,550	62	136,579	68
Other shopmen.....	28,753	18	29,699	18	29,660	17	29,809	17	30,372	17	30,414	17	30,771	17	31,690	17	33,085	17	33,817	17	35,700	18
Section foremen.....	171,810	106	180,154	106	150,711	85	155,146	87	169,664	93	171,752	94	184,494	100	201,708	107	226,799	118	239,166	122	281,075	140
Other trackmen.....	12,892	26	46,048	27	43,219	25	43,158	24	44,266	24	43,768	24	47,124	25	48,686	26	50,789	26	47,576	24	50,489	25
Switchmen, flagmen, and watchmen.....	20,970	13	22,619	13	22,145	13	20,984	12	21,682	12	21,452	12	22,488	12	23,944	13	25,218	13	26,606	14	28,244	14
Telegraph operators and dispatchers.....	5,332	3	6,146	4	7,469	4	5,779	3	5,502	3	6,409	3	6,349	3	6,775	4	7,597	4	7,423	4	7,426	4
Employees - account floating equipment.....	98,007	60	105,450	62	85,276	48	83,355	47	88,467	49	90,725	49	98,673	53	107,261	57	125,386	65	131,722	67	147,201	73
All other employees and laborers.....	821,415	506	873,602	515	779,608	444	785,034	441	826,620	454	823,476	449	874,558	474	928,924	495	1,017,653	529	1,071,169	548	1,189,315	594
Total.....	821,415	506	873,602	515	779,608	444	785,034	441	826,620	454	823,476	449	874,558	474	928,924	495	1,017,653	529	1,071,169	548	1,189,315	594

# LAST SPEECH OF WILLIAM McKINLEY.

[At Buffalo, N. Y., September 5, 1901.]

I am glad to be again in the city of Buffalo and exchange greetings with her people, to whose generous hospitality I am not a stranger, and with whose good will I have been repeatedly and signally honored. To-day I have additional satisfaction in meeting and giving welcome to the foreign representatives assembled here, whose presence and participation in this exposition have contributed in so marked a degree to its interest and success. To the commissioners of the Dominion of Canada and the British colonies, the French colonies, the Republics of Mexico and of Central and South America, and the commissioners of Cuba and Porto Rico, who share with us in this undertaking, we give the hand of fellowship and felicitate with them upon the triumphs of art, science, education, and manufacture which the old has bequeathed to the new century.

Expositions are the timekeepers of progress. They record the world's advancement. They stimulate the energy, enterprise and intellect of the people, and quicken human genius. They go into the home. They broaden and brighten the daily life of the people. They open mighty storehouses of information to the student. Every exposition, great or small, has helped to some onward step. Comparison of ideas is always educational, and as such instructs the brain and hand of man. Friendly rivalry follows, which is the spur to industrial improvement, the inspiration to useful invention and to high endeavor in all departments of human activity. It exacts a study of the wants, comforts, and even the whims of the people, and recognizes the efficacy of high quality and low prices to win their favor. The quest for trade is an incentive to men of business to devise, invent, improve, and economize in the cost of production. Business life, whether among ourselves or with other peoples, is ever a sharp struggle for success. It will be none the less so in the future. Without competition we would be clinging to the clumsy and antiquated processes of farming and manufacture and the methods of business of long ago, and the twentieth would be no further advanced than the eighteenth century. But though commercial competitors we are, commercial enemies we must not be.

The Pan-American Exposition has done its work thoroughly; presenting in its exhibits evidences of the highest skill and illustrating the progress of the human family in the Western Hemisphere. This portion of the earth has no cause for humiliation for the part it has performed in the march of civilization. It has not accomplished everything; far from it. It has simply done its best, and without vanity or boastfulness, and recognizing the manifold achievements of others, it invites the friendly rivalry of all the powers in the peaceful pursuits of trade and commerce, and will cooperate with all in advancing the highest and best interests of humanity. The wisdom and energy of all the nations are none too great for the world's work. The success of art, science, industry, and invention is an international asset and a common glory.

After all, how near one to the other is every part of the world. Modern inventions have brought into close relation widely separated peoples and made them better acquainted. Geographic and political divisions will continue to exist, but distances have been effaced. Swift ships and fast trains are becoming cosmopolitan. They invade fields which a few years ago were impenetrable. The world's products are exchanged as never before, and with increasing transportation facilities come increasing knowledge and larger trade. Prices are fixed with mathematical precision by supply and demand. The world's selling prices are regulated by market and crop reports. We travel greater distances in a shorter space of time and with more ease than was ever dreamed of by the fathers.

Isolation is no longer possible or desirable. The same important news is read, though in different languages, the same day in all Christendom. The telegraph keeps us advised of what is occurring everywhere, and the press foreshadows, with more or less accuracy, the plans and purposes of the nations. Market prices of products and of securities are hourly known in every commercial mart, and the investments of the people extend be-



yond their own national boundaries into the remotest parts of the earth. Vast transactions are conducted and international exchanges are made by the tick of the cable. Every event of interest is immediately bulletined. The quick gathering and transmission of news, like rapid transit, are of recent origin, and are only made possible by the genius of the inventor and the courage of the investor. It took a special messenger of the Government, with every facility known at the time for rapid travel, nineteen days to go from the city of Washington to New Orleans with a message to General Jackson that the war with England had ceased and a treaty of peace had been signed. How different now! We reached General Miles in Porto Rico by cable, and he was able through the military telegraph to stop his army on the firing line with the message that the United States and Spain had signed a protocol suspending hostilities. We knew almost instantly of the first shots fired at Santiago, and the subsequent surrender of the Spanish forces was known in Washington within less than an hour of its consummation. The first ship of Cervera's fleet had hardly emerged from that historic harbor when the fact was flashed to our capital and the swift destruction that followed was announced immediately through the wonderful medium of telegraphy. So accustomed are we to safe and easy communication with distant lands, that its temporary interruption, even in ordinary times, results in loss and inconvenience. We shall never forget the days of anxious waiting and awful suspense when no information was permitted to be sent from Peking, and the diplomatic representatives of the nations in China, cut off from all communication, inside and outside of the walled capital, were surrounded by an angry and misguided mob that threatened their lives; nor the joy that thrilled the world when a single message from the Government of the United States brought through our minister the first news of the safety of the besieged diplomats.

At the beginning of the nineteenth century there was not a mile of steam railroad on the globe. Now there are enough miles to make its circuit many times. Then there was not a line of electric telegraph; now we have a vast mileage traversing all lands and all seas. God and man have linked the nations together. No nation can longer be indifferent to any other. And as we are brought more and more in touch with each other, the less occasion is there for misunderstandings, and the stronger the disposition, when we have differences, to adjust them in the court of arbitration, which is the noblest forum for the settlement of international disputes.

My fellow-citizens, trade statistics indicate that this country is in a state of unexampled prosperity. The figures are almost appalling. They show that we are utilizing our fields and forests and mines, and that we are furnishing profitable employment to the millions of workingmen throughout the United States, bringing comfort and happiness to their homes, and making it possible to lay by savings for old age and disability. That all the people are participating in this great prosperity is seen in every American community and shown by the enormous and unprecedented deposits in our savings banks. Our duty in the care and security of these deposits and their safe investment demands the highest integrity and the best business capacity of those in charge of these depositories of the people's earnings.

We have a vast and intricate business built up through years of toil and struggle, in which every part of the country has its stake, which will not permit of either neglect or undue selfishness. No narrow, sordid policy will subserve it. The greatest skill and wisdom on the part of the manufacturers and producers will be required to hold and increase it. Our industrial enterprises which have grown to such great proportions affect the homes and occupations of the people and the welfare of the country. Our capacity to produce has developed so enormously and our products have so multiplied that the problem of more markets requires our urgent and immediate attention. Only a broad and enlightened policy will keep what we have. No other policy will get more. In these times of marvelous business energy and gain we ought to be looking to the future, strengthening the weak places in our industrial and commercial systems, that we may be ready for any storm or strain.



By sensible trade arrangements, which will not interrupt our home production, we shall extend the outlets for our increasing surplus. A system which provides a mutual exchange of commodities is manifestly essential to the continued and healthful growth of our export trade. We must not repose in fancied security that we can forever sell everything and buy little or nothing. If such a thing were possible it would not be best for us or for those with whom we deal. We should take from our customers such of their products as we can use without harm to our industries and labor. Reciprocity is the natural outgrowth of our wonderful industrial development under the domestic policy now firmly established.

What we produce beyond our domestic consumption must have a vent abroad. The excess must be relieved through a foreign outlet, and we should sell everywhere we can and buy wherever the buying will enlarge our sales and productions, and thereby make a greater demand for home labor.

The period of exclusiveness is past. The expansion of our trade and commerce is the pressing problem. Commercial wars are unprofitable. A policy of good will and friendly trade relations will prevent reprisals. Reciprocity treaties are in harmony with the spirit of the times; measures of retaliation are not.

If perchance some of our tariffs are no longer needed for revenue or to encourage and protect our industries at home, why should they not be employed to extend and promote our markets abroad? Then, too, we have inadequate steamship service. New lines of steamers have already been put in commission between the Pacific coast ports of the United States and those on the western coasts of Mexico and Central and South America. These should be followed up with direct steamship lines between the eastern coast of the United States and South American ports. One of the needs of the times is direct commercial lines from our vast fields of production to the fields of consumption that we have but barely touched. Next in advantage to having the thing to sell is to have the conveyance to carry it to the buyer. We must increase our merchant marine. We must have more ships. They must be under the American flag, built and manned and owned by Americans. These will not only be profitable in a commercial sense; they will be messengers of peace and amity wherever they go. We must build the Isthmian Canal, which will unite the two oceans and give a straight line of water communication with the western coasts of Central and South America and Mexico. The construction of a Pacific cable cannot be longer postponed.

In the furtherance of these objects of national interest and concern you are performing an important part. This exposition would have touched the heart of that American statesman whose mind was ever alert and thought ever constant for a larger commerce and a truer fraternity of the republics of the New World. His broad American spirit is felt and manifested here. He needs no identification to an assemblage of Americans anywhere, for the name of Blaine is inseparably associated with the Pan-American movement which finds here practical and substantial expression, and which we all hope will be firmly advanced by the Pan-American Congress that assembles this autumn in the capital of Mexico. The good work will go on. It cannot be stopped. These buildings will disappear; this creation of art and beauty and industry will perish from sight, but their influence will remain to

"Make it live beyond its too short living  
With praises and thanksgiving."

Who can tell the new thoughts that have been awakened, the ambitions fired, and the high achievements that will be wrought through this exposition? Gentlemen, let us ever remember that our interest is in concord, not conflict; and that our real eminence rests in the victories of peace, not those of war. May all who are represented here be moved to higher and nobler effort for their own and the world's good, and out of this city may there come not only greater commerce and trade for us all, but, more essential than these, relations of mutual respect, confidence, and friendship which will deepen and endure.

Our earnest prayer is that God will graciously vouchsafe prosperity, happiness, and peace to all our neighbors, and like blessings to all the peoples and powers of earth.

## MR. HANNA'S LAST WORDS OF ADVICE TO HIS PARTY AND THE PEOPLE.

**"Compare the conditions by your fireside with those which existed eight years ago, and then make up your minds."**

[Address by Hon. M. A. Hanna at Chillicothe, Ohio, September 19, 1903, in opening the Ohio Campaign.]

Mr. President, Ladies and Gentlemen, and Fellow Republicans:

A political campaign is always interesting, and it is peculiarly so this year because of conditions which can not be understood from observation. It is unique. The Republican party, with its proud record behind it, with present conditions which have redeemed every promise made, and which holds out bright hopes for the future, is our position before the people today. We have opposed to us the Democratic party. I don't recognize it. (Laughter, and cries of "nobody else.") I think we may naturally ask ourselves the question, "What is it?" (Laughter.) A nondescript party with a crazy-quilt ticket and without a single flavor of Thomas Jefferson in its platform. We are in alignment, then. The position, I say, and the situation are unique, and I am glad to say that we have the advantage.

We hold the fort. We have strengthened our position year after year by adhering to the fundamental principles upon which the foundation of this party rested. We never have swerved from those principles since the day the party was born. We have grown stronger in their advocacy because we have appealed to the reason of the people and from them have received the response that we were right. And they have upheld us and convinced others that we were right. I said, my friends, that this campaign is a unique one, and so it is. There seems to have come a change over the condition of our old-time adversaries, the Democratic party. Either they have lost heart in repeated defeats at the polls or else they have stood and fought. \* \* \*

Now, there are other issues, my friends, and, briefly, I want to touch upon those regarding national questions.

### THE COUNTRY NOT IN DANGER OF COLLAPSE.

Mr. Clarke, whether he did it thoughtlessly or intentionally, in a public utterance at Akron, Ohio, I believe it was, made this statement: "This country is on the verge of financial and industrial collapse." He sounded that note of danger. Why so, God only knows. But to my mind it was a criminal act, because it is not true. As far as the financial and industrial interests of this country are concerned, they never have been in any better shape than to-day. There is nothing to interfere with the onward progress of this development, except one thing, and that one thing is to shake the confidence of the people in the principles and policies exercised by the party in power. \* \* \*

Either Mr. Clarke knows absolutely nothing about business affairs or else that single utterance, standing alone, as affecting the results of this campaign, should condemn him and the party he represents to oblivion forever. (Long-continued applause.) It is worse than criminal. For a man who assumes to speak for a great party and who has at heart the best interests of the men who have been associated with that party and who are inclined to take the utterances that fall from the lips of their leaders as truth, it is, I say, worse than criminal for that man to thus deceive ignorant men.

Suppose that, predicated upon that speech, an alarm had been sounded, that would have had practical effect. Suppose even—which is not true—that conditions of this country had been such that a spark like that would have ignited the dynamite, and then after the harm was done, after wretchedness and woe had come to thousands of families, after it had been demonstrated that there was no cause for alarm, but merely the vaporings of



a politician seeking to bewilder the minds of honest people—what ought to be done with such a man? Is he fit, or is any such man fit to stand before an intelligent people, such as we have, and be called a leader, or an adviser as to the best methods and best policies to be adopted in the interests of our country? Oh, my friends, you have had experiences. You have had object lessons, and the results of those experiences and those lessons have not yet faded from your memories. There is not a working man in this country nor in this State who has not had them vividly impressed upon him, through avenues that reached his heart, because they have caused misery at his fireside.

The change came, and it became the privilege, as well as the duty of our own dear William McKinley to come to the front with the confidence of the whole people behind him, and assuming the reins of government at that opportune time, not only by his living example, not only as a result of those principles which had guided him all his life, but preeminently because during that public life he had stood the friend of the working man and had taught the principles which had filled their minds and filled their hearts with gratitude, until confidence grew so that they were willing to follow him, and, to a man, they did follow him in 1896 and in 1900. (Long-continued applause.)

Those principles are living today, although he has gone from us forever. (Applause.) But he has left behind a record which every Ohio man cherishes as a heritage to himself. He has left behind an example to that class of which I speak, and if he could speak to-day it would be to remind every man in the State of Ohio who works with his hands, "remember all that you have passed through in years gone by; remember how, step by step, you learned those lessons of economic policy which have brought prosperity and happiness to your hearthstones, and, remembering that, remember the party and the teachers of these policies, who have been your friends in all the past and stand to-day where they stood in 1896, when the millennium came. (Great applause.)

#### CHANGE OF POLICY THE ONLY DANGER.

I say, my friends, that the only danger that can possibly come—and I make this statement from the standpoint of a business man—and I think I know my business (great laughter and applause)—better at least than my friend Clarke does anyway. (Renewed laughter and great applause.) The only danger that can possibly come to the people of this country is through their own acts, by their own power, and the will to change those policies which have made us what we are to-day.

If it were thought that the heresies of Tom Johnson and his Socialistic followers could make any impression upon the people of Ohio, so as to change the political conditions here, I will tell you what would happen. The men who control these great industries, the men whose power and money are moving all this enormous trade, the men who are associated with them as partners, together with the men who work with their hands in this great business development, would be the first ones to take notice of that change, if it were imminent, and they would act upon the hypothesis that it is better to wait and know the truth than to surmise it and speculate upon it. The result would be—and I tell you it is true—that if a single cloud came into the commercial sky of this country, which looked to any change of policy different from what we have had in the last six or seven years, the change would come, the wheels of industry would slow down, and there would be a waiting policy. Waiting to know what the result might be; waiting to know whether the American people would tire of the conditions which have brought to them wealth and prosperity, just for the sake of a change, as it did in 1892, and were prepared to throw aside the benefits and experiences of those principles and try new pastures or not.

On this great national proposition, as Senator Foraker has said, the whole country stands to-day at "Attention," watching Ohio. (Long-continued applause.)

The time has always been, during our political history of fifty years, when Ohio seemed to be the initiatory State, and when the people of Ohio had registered their verdict, even in the October election days of by-gone years, it was looked upon as a



barometer of what we might expect as to the future policy of that State and its effect upon national affairs. (Applause.)

I say the whole country has its eyes upon Ohio, knowing that this is the skirmish battle of 1904, and I join with Senator Foraker in making the appeal to our people, under these circumstances, to send a word of greeting and confidence to the young President at Washington, and let him know that Ohio never falters in the right, and will not this time, and that we will lead in the campaign of 1904. (Long-continued applause.) Do that. Show by your action, show by your votes, that you intend to stand by those principles; that you intend that the men who represent you in the halls of Congress and in the legislative body of the State shall be sent there with instructions to carry out these principles, and that you will have no other kind of representation. (Prolonged applause.) Do that and this country is just as far from any prospect of distress—to say nothing of panic—as it was three years ago.

#### OUR NATIONAL PROSPERITY NORMAL.

These conditions, my fellow-citizens, in this country are normal. That is to say, they are not abnormal. There is no reason why we should not have long and continued periods of prosperity in this country, because our natural resources are beyond those of any nation in the world. This great cosmopolitan people have shown themselves better as a nation, industrially, commercially, politically, than any other nation in the world. (Enthusiastic cheering.) We have achieved that position upon pure merit, and that merit is exemplified in the fact that under these influences and during the times of peace we are making such rapid progress in industrial development that we can enter the markets of the world with our products, and still maintain the American price of wages. (Great applause.)

That is even a prouder prestige, my friends, than the new political power which has come to us since the Spanish War, because that prestige is an inspiration to every man who works with his hands to every man who has the ingenuity, which God may have given him, to prepare for himself conditions, within the limits of his ability, along the line of those industries which gives him equal opportunity with any other man. And when I hear the men who are pretending to lead the Democracy of Ohio today talk about capturing the labor vote—well, I smile. (Great applause, and voices, "We all smile.") Were it not in some phases of it a serious question, I should even laugh. But there is a serious side to it, my friends.

There is a serious side to it, because if, through ignorance of the true conditions or through any undue excitement created during a campaign, the laboring men of this State should be led away from the party and the principles which have done so much for them, then it would be serious, because that element which leads and dominates the Democratic party today stands not for tariff for revenue, but absolute free trade. Mr. Clarke qualifies his position on the tariff by saying that he would take the tariff entirely off every article manufactured by trusts. What does that mean? Every iron and steel industry in the United States, everything connected with the metal trades, with the cotton trades, and in fact nearly all of our great industries would come within the scope of his proposition.

#### WHAT FREE TRADE WOULD DO.

Why, is there any intelligent man among the workingmen of my State who does not know what would be the result of that policy? Absolute free trade, through all the schedules of our tariff, would shut up seventy-five per cent. of the industrial institutions of the United States until we could get labor down to the price where we could compete with Europe. That is what you are up against, boys. (Laughter, and long continued cheering.) They fooled you in 1892, by the "clack" about "tin cans." They pulled the wool over your eyes about the McKinley bill.

But McKinley, although his bill was defeated, never lost courage, and I have heard him say many times, "Yes, it is hard, but it is no humiliation to me, because I know I am right, and I

know that soon the people will be right. I am only thinking of those homes where suffering and want will enter during the period which must pass before the men come to their sober senses, and learn from bitter experience what it means to have this great structure of protection, built up in their interests more than any other, stricken to the ground, and all through the influences of demagogy." (Long-continued applause.)

No, as far as your interests lie, in the direction of national questions, let me repeat, the questions have not changed, the principles have not changed, the results have not changed, and you stand here to-day just exactly where you stood years ago in this State, when, under the leadership of the gallant man who believed in the protective policy and in safe money, you followed him to the polls and year after year registered your verdict, and that was the policy for the working classes of this State and country. (Enthusiastic applause.)

Now, in conclusion, my friends, I want to sound a note of warning, not only to my Republican friends, but to every man who owns a home in this and all other counties in this State. If the Socialistic doctrines advocated by this new form of Democracy should, by any possibility, become a law, or that policy could, by any possibility, become established, then God help us. Whenever that socialistic, anarchistic, populist doctrine seizes the minds of the people of this or any other State so as to dominate their reason and their judgment, and lead them to do almost what I would call an act of political suicide, then God help us. Because, all that we have sought for in the past, all that we have gained through our efforts and industry, all the battles we have fought for liberty to man, all the efforts that we have made to make this country what it is—an example to the world—the most powerful Christian influence in the world—to build up a government which belongs to the people, and which looks to the people for its enactment, and for the enforcement of the laws which will protect it, when such "isms" as that can prevail, then all is lost. It is a serious thought that I want you to take home. Republican or Democrat, take it home tonight and think it over. Compare the conditions by your fireside today with those which existed eight years ago, and then make up your minds, and when you have reached a decision, "STAND PAT." Good bye. (Prolonged applause.)

#### THINGS TO BE REMEMBERED.

**Remember 1893-1896 and the days of industrial gloom.**

**Remember 1893-1896 and the home comforts which were wanting.**

**Remember 1893-1896 and the wives and children wanting clothes.**

**Remember 1893-1896 and the thousands of capable mechanics looking in vain for work.**

**Remember 1893-1896 and the fulfilled promises made by the Republican party in the campaign of 1896.**

**Remember 1893-1896 and the delusive promises made by the Democratic party in the campaign of 1892.**

**Remember 1893-1896 and the landlord waiting at the door for the rent money, which could not be provided.**

**Remember 1893-1896, when the factory whistle failed to blow for another day's work, another day's pay.**

**Remember 1893-1896 and the countless number of women and children waiting, faint with hunger, for the bread which never came.**

**Remember 1893-1896 and the heartsickness, the worry, the unpaid and unpayable debts, and all the many ills that attend the man out of work.**

**Remember 1893-1896 and the hundreds of thousands of laborers walking the streets from sunrise to sunset looking for the work which could not be found.**

**Remember 1893-1896 and the un-American soup houses and other forms of charity necessary to relieve those who need no relief when they can get work.**



# FIFTY YEARS OF THE REPUBLICAN PARTY.

An Address [Delivered by the Hon. John Hay, Secretary of State, at Jackson, Mich., July 6, 1904.

A century is but a moment of history; it has often happened that several of them have passed away, since men began to record their deeds, with little change in the physical aspect or the moral progress of the world. But at other times—of intense action and spiritual awakening—a single generation may form an epoch; and few periods of equal duration in political annals have been so crowded with great events as the fifty years we celebrate to-day. Under the oaks of Jackson on the 6th of July, 1854, a party was brought into being and baptized, which ever since has answered the purposes of its existence with fewer follies and failures and more magnificent achievements than ordinarily fall to the lot of any institution of mortal origin. And even the beginning of the end is not yet. This historic party is only now in the full maturity of its power and its capacity for good. We look back upon a past of unparalleled usefulness and glory with emotions of thankfulness and pride; we confront the future and its exacting problems with a confidence born of the experience of difficulties surmounted and triumphs achieved in paths more thorny and ways more arduous than any that are likely to challenge the courage and the conscience of the generation which is to follow us. It is meet that at this stage of our journey we should review the past and read its lessons, and in its light take heart for what lies beyond.

## A Party of Noble Origin.

The Republican party had a noble origin. It sprang directly from an aroused and indignant national conscience. Questions of finance, of political economy, of orderly administration, passed out of sight for the moment, to be taken up and dealt with later on. But in 1854 the question that brought the thinking men together was whether there should be a limit to the aggressions of slavery; and in 1861 that solemn inquiry turned to one still more portentous, Should the nation live or die? The humblest old Republican in America has the right to be proud that in the days of his youth in the presence of these momentous questions he judged right; and if he is sleeping in his honored grave his children may justly be glad of his decision.

It was not so easy fifty years ago to take sides against the slave power as it may seem to-day. Respect for the vested rights of the Southern people was one of our most sacred traditions. It was founded on the compromises of the Constitution, and upon a long line of legal and legislative precedents. The men of the Revolution made no defense of slavery in itself; Washington, Adams, Jefferson, and Franklin deplored its existence, but recognized the necessity of compromise until the public mind might rest in the hope of its ultimate extinction. But after they had passed away, improvements in the culture and manufacture of cotton made this uneconomic form of labor for the time profitable, and what had been merely tolerated as a temporary necessity began to be upheld as a permanent system. Slavery entrenched itself in every department of our public life. Its advocates dominated Congress and the State legislatures; they even invaded the pulpit and grotesquely wrested a few texts of Scripture to their purpose. They gave the tone to society; even the Southern accent was imitated in our schools and colleges.

If the slaveholders had been content with their unquestioned predominance, they might for many years have controlled our political and social world. It was natural for the conservative people of the North to say: "We deplore the existence of slavery, but we are all to blame for it; we should not cast upon our brethren in the South the burdens and perils of its abolition. We must bear with the unfortunate condition of things and take our share of its inconveniences." But the slaveholding party could not rest content. The ancients said that madness was the fate of those judged by the gods. Continual aggression is a necessity of a false position. They felt instinctively that if their system were permanently to endure it must be extended, and to attain this object they were ready to risk everything. They rent in twain the compromises which had protected them so long. They tore down the bulwarks which had at once restricted and defended them; and confiding in their strength and our patience they boldly announced and inaugurated the policy of the indefinite extension of their "peculiar institution."

Once embarked upon this fatal enterprise they left nothing undone which could contribute to the catastrophe upon which they were rushing. The Whig party had gone to ruin in 1852 on account of the impossibility of combining the scattered elements of opposition to the party of pro-slavery aggression; but they themselves furnished the weapon which was to defeat them. In May, 1854, after several months of passionate debate, to which



the country listened with feverish interest, Congress passed the bill organizing the territories of Kansas and Nebraska, omitting the restrictions of the Missouri Compromise, which excluded slavery from them. This action at once precipitated the floating anti-slavery sentiment of the country. A mighty cry of resolute indignation arose from one end of the land to the other. The hollow truce, founded upon the legitimate compromises which had been observed in good faith by one side and ruthlessly violated by the other, was at an end. Men began to search their consciences instead of the arguments of political expediency. A discussion of the right and wrong of slavery became general; the light was let in, fatal to darkness. A system which degraded men, dishonored women, deprived little children of the sacred solace of home, was doomed from the hour it passed into the arena of free debate. And even if we shut our eyes to the moral aspects of that heartless system, and confined ourselves to the examination of its economic merits, it was found to be wasteful and inefficient. The Americans are at once the most sentimental and the most practical of peoples—and when they see that an institution is morally revolting, and, besides, does not pay, its fate is sealed.

### **The Constitution and Law Always Respected.**

Yet the most wonderful feature of that extraordinary campaign which then began, and which never ceased until the land was purged of its deadly sin, was that even in the very "tempest and whirlwind of their passion" the great leaders of the Republican party kept their agitation strictly within the limits of the Constitution and the law. There was no general demand for even an amendment to the organic instrument. They pleaded for the repeal of unjust statutes as inconsistent with the Constitution, but did not advocate their violation. Only among the more obscure and ardent members of the party was there any demand for the abolition of slavery, but the whole party stood like a rock for the principle that the damnable institution must be content with what it had already got, and must not be allowed to pollute another inch of free soil. On this impregnable ground they made their stand; and the mass convention which assembled here in 1854, while the vibration of the thunder of the guns and the shoutings of the birthday of Liberty yet lingered in the air, gave a nucleus and a name to the new party destined to a great and beneficent career. Before the month ended the anti-slavery men of five more great states adopted the name "Republican," and under that banner Congress was carried and two years later a national party assembled at Pittsburg and nominated Fremont and Dayton, who failed by a few votes of sweeping the North.

Who of us that was living then will ever forget the ardent enthusiasm of those days? It was one of those periods, rare in the life of any nation, when men forgot themselves, and, in spite of habit, of interest, and of prejudice, follow their consciences wherever they may lead. In the clear, keen air that was abroad the best men of the country drew deeper breaths and rose to a moral height they had not before attained. The movement was universal. Sumner in the East, Seward in New York, Chase in Ohio, Bates in Missouri, Blair in Maryland, all sent forth their identical appeal to the higher motive; and in Illinois, where the most popular man in the state boldly and cynically announced, "I don't care whether slavery is voted up or voted down," a voice, new to the nation, replied, "There are some of us who *do* care. If slavery is not wrong nothing is wrong"—and Abraham Lincoln came upon the field, not to leave it until he was triumphant in death.

I have no right to detain you at this hour in recounting the history of those memorable days. Two incidents of the long battle will never be forgotten. One was the physical and political contest for the possession of Kansas, carried on with desperate courage and recklessness of consequences by the pro-slavery party on the one side, and, on the other, by the New England farmers whose weapons of aggression were Bible texts and the words of Jefferson, and whose arms of defense were Sharpe's rifles. With words that ring even now when we read them, like the clashing of words, the Slave State men claimed Kansas as their right and the Free State men replied in the words of the prophet before Herod, "It is not lawful for you to have her. And when the talking harpended to the physical clinch, the praying men fought with the same ferocity as the men who cursed. In the field of political discussion the most dramatic incident of the fight was the debate between Lincoln and Douglas. Not many of you saw that battle of the strong, where each of the gladiators had an adversary worthy of his steel, where the audiences were equally divided, where the combatants were fairly matched in debating skill and address, and where the superiority of Lincoln was not so much personal as it was in the overwhelming strength of his position. He was fighting for freedom and could say so; Douglas was fighting for slavery and could not avow it. The result of the contest is now seen to have been inevitable. Douglas was re-elected to the Senate but had gained also the resentful suspicion of the South, which two years later disowned him and defeated his lifelong ambition. Lincoln became at once the foremost Republican of the West, and a little later the greatest political figure of the century.

### **Our First Republican President.**

If there is one thing more than another in which we Republicans are entitled to a legitimate pride it is that Lincoln was our

first President; that we believed in him, loyally supported him while he lived, and that we have never lost the right to call ourselves his followers. There is not a principle avowed by the Republican party to-day which is out of harmony with his teachings or inconsistent with his character. We do not object to our opponents quoting him, praising him—even claiming him as their own. If it is not sincere, it is still a laudable tribute to acknowledged excellence. If it is genuine, it is still better, for even a Nebraska Populist who reads his Lincoln is in the way of salvation. But only those who believe in human rights and are willing to make sacrifices to defend them; who believe in the nation and its beneficent power; who believe in the American system of protection championed by a long line of our greatest and best, running back from McKinley to Washington, and, as Senator Dolliver so truthfully said, “to the original sources of American common sense;” only those who believe in equal justice to labor and to capital; in honest money and the right to earn it, have any title to name themselves by the name of Lincoln, or to claim a moral kinship with that august and venerated spirit. I admit it would be little less than sacrilege to try to trade upon that benignant Renown, whose light “folds in this orb o’ the earth.” But we who have always tried to walk in the road he pointed out can not be deprived of the tender pride of calling ourselves his disciples, and of doing in his name the work allotted to us by Providence. And I hope I am violating neither the confidence of a friend nor the proprieties of an occasion like this when I refer to the ardent and able young statesman who is now, and is to be, our President to let you know that in times of doubt and difficulty the thought oftenest in his heart is, “What, in such a case, would Lincoln have done?”

As we are removed further and further from the founders of our party and their mighty work, their names and their fame rise every year higher in the great perspective of history. The clamor of hatred and calumny dies away. The efforts made to weaken the hands of Lincoln and his associates are forgotten. The survivors of those who so bitterly attacked him and his cause, which was the cause of the country, are now themselves astonished when confronted with the words they then uttered. But it was against a political opposition not less formidable and efficient than the armed force beyond the Potomac that the Union men of that day, and their President, had to struggle. It was not merely the losses in battle, the waste of our wealth, the precious blood of our young men, that filled Lincoln's heart with anguish and made him old before his time, but it was the storm of partisan hostility that raged against him, filling the air with slanders and thwarting his most earnest and unselfish efforts for the country's good. But in spite of it all he persevered, never for a moment tempted by the vast power he wielded to any action not justified by the moral and the organic law. I have always liked the inscription on the medal which the workmen of France, by one-cent subscriptions, caused to be struck after his death: “Abraham Lincoln, the honest man. Waged war. Abolished slavery. Twice elected President without veiling the face of Liberty.” This was an achievement new to the world; that a man and a party, armed with an authority so unquestioned and so stupendous, in the very current of a vast war, should have submitted themselves so rigidly to the law—and never have dreamed there was anything meritorious about it. Then, if never before, we proved we were as fit to be free as the men who achieved our freedom.

The world learned other lessons in swift succession. We disbanded our army—sent them home to earn their livings as simple citizens of the land they had saved, without terms or conditions; they asked none; they wanted peace; they were glad to get to work. And there were no reprisals, not a man punished for rebellion or treason; not an act of violence sullied the glory of victory. The fight had been fierce, but loyal; we at least wished the reconciliation to be perfect. Then came the paying of our debts. To whom is the credit due of that enormous task, that sublime effort of common honesty, if not to the party which, against every assault of open and covert repudiation, stood by the country's honor and kept it free from stain?

#### **Why the Party is Entitled to Public Confidence.**

Let me hurriedly enumerate a few of the events in the long and fruitful career of the Republican party which seem to us to entitle it to the confidence of the country and the final approval of history. After the war was ended and peace re-established with no damage to the structure of the Government, but, on the contrary, with added strength and with increased guaranties of its perpetuity, it remained to be shown whether the power and success of the Republican party were to be permanent, or whether, born of a crisis, it was fitted to cope with the problems of daily national life. It had destroyed slavery, or, perhaps we might better say, it had created the conditions by which slavery had committed suicide. In the absence of this great adversary, could the party hold together against the thousand lesser evils that beset the public life of modern peoples—the evils of ignorance, corruption, avarice, and lawlessness, the prejudices of race and of class, the voices of demagogues, the cunning of dishonest craft, the brutal tyranny of the boss, the venality of the mean? I think it is not too much to say that the last forty years have given an answer, full of glory and honor, to that question. The Republican party, in the mass and in detail, has shown its capacity to govern. By the homestead law, with equal generosity and wisdom, it distributed the im-



mense national domain among the citizens who were willing to cultivate it and who have converted wide stretches of wilderness into smiling homes. It built the Pacific Railroad, which has bound the Union together from East to West by bands of steel and made the states beyond the mountains among our most loyal and prosperous commonwealths. It redeemed our paper currency and made all our forms of money exactly of equal value, and our credit the best in the world. By persistent honesty in our finances—in the face of obstacles which might have daunted the hardiest statesmen—it has reduced our interest charges so that in any mart on earth we can borrow money cheaper than any other people. In the financial revulsions to which all communities are subject we are able, thanks to our laws and our administrative system, to meet and pass the most violent crises without lasting damage to our prosperity. We have, by the patient labor of years, so succeeded in reforming and regulating our civil service that patronage has almost ceased to cast its deadly blight upon the work of our public servants. Human nature is weak and offenses happen; but they are almost always found out and are punished without mercy when detected. By persistent adherence to the policy of protection, we have given to our industries a development which the fathers of the Republic never dreamed of; which, besides supplying our home market, has carried our manufactures to the uttermost ends of the earth.

### **A Prosperity Unparalleled in History.**

History affords no parallel to the vast and increasing prosperity which this country has enjoyed under Republican rule. I hasten to say we do not claim to have invented seedtime and harvest, and industry and thrift. We are a great people and success is our right; God is good to those who behave themselves. But we may justly claim that the Republican party has been in power during these years of marvelous growth, and we can at least bring proof that we have not prevented it—and this is no slight honor for a party to claim. I will not at this moment speak of the important acquisitions of territory we have made, which render us in many ways the predominant power in the Pacific. But out of the territory we already possessed, fourteen new states have entered the Union. The census of 1850 gave us 23,000,000 of population—the last one 76,000,000. The number of our farms—the total of our cultivated acreage—has increased fourfold. Our corn crop is five times what it was; our wheat crop, six times. The capital invested in manufacturing has grown from five hundred millions to ten billions; where it employed less than a million artisans, it now employs more than five millions; and while the number of workmen has increased five times, their wages have increased tenfold. The value of manufactured property is thirteen times what it was when the Republicans of Michigan met under the oaks. The real and personal wealth of the country has grown in this amazing half century from seven thousand millions to ninety-four thousand millions. Our railroads have grown from a mileage of 16,000 to one of 200,000. Our imports and exports have gone up by leaps and bounds to the same monstrous proportions. And finally, let us hasten to say, as the other side will say it for us, instead of the \$47,000,000 which supplied our modest needs in 1850 we now collect and spend some \$700,000,000 annually. I can only add what Speaker Reed replied to a Democratic statesman who complained of a billion-dollar Congress: "Well, this is a billion dollar country."

Of course, our opponents, who have got far enough from the men and the events of the great war period to admit they were not without merit, will say—for they must say something—that we have fallen away from that high level. Now, I am grieved to confess that I am old enough to have seen something of the beginning, as well as of the present, of Republican Administrations, and I venture to say that no eight years of government in our history have been purer from blame or have conferred greater benefits upon the country than the eight years of McKinley and Roosevelt which I claim your approval to-day. I need not hesitate to refer to it, although I have been associated with both Administrations; so little of their merit is mine that I may speak of them without false modesty. Our national finances have never in our history been so wisely and successfully administered; our credit never stood on a basis so broad and so strong. Our two-percents command a premium in all markets—no other country on earth can pay as much. We paid abroad the other day fifty millions of gold in a single transaction without producing a ripple in exchange. The vast expenditure made necessary by our enormous increase in every element of national growth is collected with the utmost ease and expended with perfect honesty. Our protective system, loyally and intelligently carried out and improved in the last seven years, not only fills our Treasury with the means of national expenditure, but has carried our industries and our commerce to a height of prosperity which is the wonder and envy of our neighbors, who are trying to emulate our progress.

### **The Republican Party Always the Friend of Labor.**

In the relations between labor and capital, always a subject of deep concern in democratic governments, we have improved both in the letter and the spirit. How could it be otherwise when labor knows that McKinley and Roosevelt have watched over its interests as a brother might, and capital knows that its rights will be jealously guarded so long as it is true to its duties? As to our



place in the world, it has simply followed and naturally complemented the steady improvement in our domestic condition.

### Our Relation to the World.

A country growing so fast must have elbow room—must have its share of the sunshine. In the last seven years, without aggression, without undue self-assertion, we have taken the place that belonged to us. Adhering with religious care to the precepts of Washington and the traditions of a century, and avoiding all entangling alliances, professing friendship to all nations and partiality to none, McKinley and Roosevelt have gone steadily forward protecting and extending American interests everywhere and gaining, by deserving it, the good will of all the world. Their advice has been constantly sought and sparingly given. By constant iteration their policy has been made plain. We do not covet the territory nor the control of any other people. We hold ourselves absolutely apart from any combinations or groups of powers. We favor no national interests but our own. In controversies among our neighbors we take no part, not even tendering good offices unless at the request of both parties concerned. When our advice is given, it is always on the side of peace and conciliation. We have made, it is true, great acquisitions, but never of set purpose nor from greed of land. In the case of Hawaii, the will of the people of those islands coincided with the important interests we have to guard in the Pacific. In the Samoan treaty we freed ourselves from a useless and dangerous entanglement, and in place of an undesirable condominium we gained possession of the best harbor in the South Seas, retaining, at the same time, all our commercial rights in the archipelago. The diplomacy of McKinley and Roosevelt has been directed principally to our present and future interests in the Pacific, on whose wide shores so much of the world's work is to be done. They have constantly kept in view the vast importance of that opening field of our activities. The long negotiations for the "open door" in China; the steadfast fight we made for the integrity of that ancient empire; President McKinley's attitude throughout the Boxer troubles, so severely criticized at the time and so splendidly approved by the result; the position President Roosevelt has since held and now holds in regard to the neutrality of China in the present war—have all been dictated by one persistent policy, of taking care that our interests receive no detriment in the Pacific; that while we wish no harm to anyone else, we shall see that no damage is done to our people, no door is shut in our face.

The negotiations begun by McKinley and successfully completed by Roosevelt for the abrogation of the Clayton-Bulwer treaty, which impeded our freedom of action in building an isthmian canal, was a part of the same general plan of opening a field of enterprise in those distant regions where the Far West becomes the Far East. In this matter we were met in the most frank and friendly spirit by the British Government, as also in the matter of the Alaskan boundary, which was settled for all time by a high judicial tribunal removing a cloud upon our title to another great Pacific possession. And to close this record of success—monotonous because gained by appeals to reason rather than force, without parade or melodrama—came the treaty with Panama, by which we finally gained the pathway across the Isthmus by a perpetual grant, insuring the construction of an American canal under American control, built primarily for American needs, but open on equal terms to all the people of good will the world over.

All the foreign policy of McKinley and Roosevelt has been marked with the same stamp of honesty and fair dealing, confessedly in American interests, but treating our friends with equity and consideration. They have made more treaties than any two preceding Presidents; and the conclusion of the whole matter is that we stand to-day in independent though amicable relations to all the rest of the world—without an ally and without an enemy.

### The War With Spain and Its Results.

If the Government for the last seven years had done nothing else, it would have entitled itself to an honorable place in history by the manner in which it has handled the questions of the islands whose destiny has been so interwoven with our own. The war with Spain was carried through with incredible swiftness and energy, without a shadow of corruption, without a moral or a technical fault. A hundred days sufficed for the fighting. Diplomacy then did its work, and our commissioners brought home a treaty so just and so beneficial that it was impossible to unite the opposition against it. Then came the far more difficult and delicate task of administration. You remember the doleful prophesies of evil with which the air was filled; that we had not the habit nor the ability to govern outlying possessions; that the islands would be cesspools of jobbery and fraud; that the enterprise was conceived in violence and would go out in disaster. And now you know the result. The Republic never is in default of men to serve it worthily when the Chief of the State is honest and able; when he has the eye and the will to choose the best men and will be satisfied with no less. So in Cuba, Porto Rico, and the Philippines we got the best we had. Wood, Allen and Hunt, and Taft have each in his place wrought a great work and gained a righteous fame. Cuba and Porto Rico are free and enjoying—the one under her own banner, the other under the Stars and Stripes—a degree

of prosperity and happiness never known before in all their troubled story. As to the Philippines, the work done there by Judge Taft and his associates will rank among the highest achievements of colonial administration recorded in history. Never since their discovery has there been such general peace and order; so thorough a protection of the peaceable and restraint of evil doers; so wide a diffusion of education; so complete a guaranty to industry of the fruit of its labors. And when they see this energetic and efficient government carried on, free from the venality and bribery which formerly seemed to them a necessity of existence, then, indeed, they are like them that dream. The principal evil from which they still suffer has its origin here. Some well-meaning people—and others not so well meaning—are constantly persuading them that they are oppressed and that they will be given their liberty, as they choose to call it, as soon as the Republican party is overthrown in this country. These are the true enemies of the Filipinos, and not the men who are striving with whole-hearted energy and with consummate success to ameliorate their condition and to make them fit for self-government and all its attendant advantages. The so-called anti-imperialists confound in their daily speeches and writings two absolutely unrelated ideas—the liberty, the civil rights, the self-government which we have given the Filipinos, and the independence which the best of them do not want and know they are unable to maintain. To abandon them now, to cast them adrift at the mercy of accident, would be an act of cowardice and treachery which would gain us the scorn and reproach of civilization.

### Democrats Who Aided the Republican Party in Its Great Undertakings.

Our opponents sometimes say we have no right to claim the credit of the great deeds of the last half century—that we could not have accomplished them without the aid of Democrats. Nothing truer was ever said; and it is one of the chief glories of our annals, and it forms the surest foundation of our hopes for the future. The principles upon which our party is built are so sound, they have so irresistible an attraction to patriotic and fair-minded men, that whenever a time of crisis comes, when the national welfare is clearly at stake, when voters must decide whether they shall follow their prejudices or their consciences, we draw from their parties their best men by thousands. Bright among the rightest of those who founded our party shine the name of Democrats; and when the war came on, the picked men of that party allied to the colors. Douglas, shortly before he died, declared his unflinching support of Lincoln. The sun would go down before I could name the Democrats who fought like heroes for the country. Grant, Sherman, Sheridan, Dix, Sickles, Logan—in short, an innumerable host, Democrats all, rushed into the field and hereafter fought and worked with the Republicans while life lasted, and that vast majority of Lincoln's in 1864 would have been impossible had not myriads of Democrats, casting their lifelong associations to the winds, listened to the inward monitor which said, "Choose you this day whom ye will serve." As it was then, so it has been in after years. When the attempt was made to repudiate, in whole or in part, the national debt; or to abolish the system of protection to American industries, founded by Washington and Hamilton, and approved by the experience of a hundred years; or to degrade our currency at the demand of mere ignorance and greed—in all these cases we saw the proof of the homely adage that you may lead a horse to the water but may not make him drink. In spite of organizations and platforms, in spite of the frantic adjurations of gifted orators, hosts of patriotic Democrats walked quietly to the polls and voted as their consciences dictated, in the interests of the public welfare rather than of a party. Even in so lofty and restricted an arena as our Senate, we have seen the ablest and most adroit organizer of his party fail in the most energetic effort of his life to induce his party to reject a great national benefit because it was offered by Republican hands. Half the Democratic Senators said this was no question for pettifogging politics and voted for an American canal across the isthmus.

We are not claiming that we monopolize the virtue or the patriotism of the country. There are good men in all parties. I know far better men than I am who are Democrats. But we are rarely allowed in a love-feast like this, to talk of what has been done by the family and at least to brag a little of the Democrats who have helped us. We get their votes for one reason only—because we started right and in the main have kept right. We invite accessions from the ranks of our patriotic opponents, and we all get them in the future, as we have in the past, whenever they deserve them. We shall get them this year, because this year we do deserve them. We come before the country in a position which can not be successfully attacked in front, or flank, or rear. What we have done, what we are doing, and what we intend to do—on all three we confidently challenge the verdict of the American people. The record of fifty years will show whether as a party we are fit to govern; the state of our domestic and foreign affairs will show whether as a party we have fallen off; and both together will show whether we can be trusted for a while longer.

### The Platform of 1904.

Our platform is before the country. Perhaps it is lacking in novelty. There is certainly nothing sensational about it. It is



substantially the platform on which we won two great victories in the name of McKinley, and it is still sound and serviceable. Its principles have been tested by eight years of splendid success and have received the approval of the country. It is in line with all our platforms of the past, except where prophecy and promise in those days have become history in these. We stand by the ancient ways which have proved good.

### The Opposition Party.

It would take a wizard to guess what a dainty dish our adversaries will set before the sovereign people to-morrow. Their State conventions have given them a rich variety to choose from. As to money, they range all the way from Bedlam to Belmont; as to tariff, the one wing in Maryland is almost sane, the other wants raving free trade and dynamite for the custom-houses. When they discuss our island possessions, some want to scuttle away and abandon them out of hand; others agree with that sensible Southerner who said: "What's the use talking about expansion. Great Scott! we've done expanded!" One thing is reasonably sure; they will get as near to our platform as they possibly can and they will by implication approve everything McKinley and Roosevelt have done in the last four years. They will favor sound finance and a tariff which will not disturb business; rigid honesty in administration and prompt punishment of the dishonest; the Monroe Doctrine and an isthmian canal. To be logical they ought to go on and nominate the Republican candidates who are pledged to all these laudable policies.

But they will not be logical. They do not care to oppose our policy; they merely deny our sincerity in avowing it. They cannot deny the soundness of our principles; they pretend themselves to hold them. But the function of an opposition is to oppose, and as they are otherwise destitute of an issue they seek to make a few by attributing to us principles we have never dreamed of holding and policies which are abhorrent to us. And distrusting the effect of these maneuvers in advance, they announce their plan of campaign to be not pro-anything, but anti-Roosevelt. This is a mere counsel of desperation and the Republicans will gladly accept the issue.

### Theodore Roosevelt.

Even on this narrow issue they will dodge most of the details. Ask them, Has the President been a good citizen, a good soldier, a good man in all personal relations? Is he a man of intelligence, of education? Does he know this country well? Does he know the world outside? Has he studied law, history, and politics? Has he had great chances to learn, and has he improved them? Is he sound and strong in mind, body, and soul? Is he accessible and friendly to all sorts and conditions of men? Has he the courage and the candor, and the God-given ability to speak to the people and tell them what he thinks? To all these questions they will answer, Yes. Then what is your objection to him? They will either stand speechless or they will answer with the parrot cry which we have heard so often: He is unsafe!

In a certain sense we will have to admit this to be true. To every grade of lawbreaker, high or low; to a man who would rob a till or a ballot box; to the sneak or the bully; to the hypocrite and the humbug, Theodore Roosevelt is more than unsafe; he is positively dangerous.

But let us be serious with these good people. What are the coefficients of safety in a Chief of State? He should have courage; the wisest coward that ever lived is not fit to rule. And intelligence; we want no blunder-headed hero in the White House. And honesty; a clever thief would do infinite mischief. These three are the indispensables. With them a man is all the more safe if he has a sense of proportion, a sense of humor, a wide knowledge of men and affairs; if he seeks good counsel; and, finally, if he is a patriot, if he loves his country, believes in it, and seeks in all things its interest and its glory. Any man may make mistakes; but such a man as this will make few, and no grave ones.

Such a man is our President and our candidate. He is prompt and energetic, but he takes infinite pains to get at the facts before he acts. In all the crises in which he has been accused of undue haste, his action has been the result of long meditation and well-reasoned conviction. If he thinks rapidly, that is no fault; he thinks thoroughly, and that is the essential. When he made peace between the miners and the operators, it was no sudden caprice but the fruit of serious reflection, and this act of mingled philanthropy and common sense was justified by a great practical result. When he proclaimed anew the Monroe Doctrine in the Venezuela case his action was followed by the most explicit acceptance of that saving policy which has ever come to us from overseas. He acted very swiftly, it is true, in Mississippi, when the best citizens of a town threatened the life of a postmistress for no fault but her color. He simply said, "Very well, gentlemen; you may get your letters somewhere else for a while."

As to the merger suits, now that people have come to their senses they see that his action in that case was as regular as the equinox. He was informed through legal channels that a statute had been violated. He did not make the statute, but he was bound by his oath to execute it. He brought the proceeding which it was his duty to bring. The courts, from the lowest to the highest, sustained his action. He did what it would have been a high misdemeanor not to have done. The laws in this country are made to be obeyed, whether it is safe or not. It is always unsafe to disobey them.



But there has been more noise made over his suddenness on the Isthmus of Panama than elsewhere. It is difficult to treat this charge with seriousness. The President had made a treaty with Colombia at her own solicitation, which was infinitely to her advantage, to inaugurate an enterprise which was to be for the benefit of the world. He waited with endless patience while Bogotá delayed and trifled with the matter, and finally rejected it, and suggested new negotiations for a larger sum. Panama, outraged by this climax of the wrongs she had already suffered, declared and established her independence. The President, following an unbroken line of precedents, entered into relations with the new Republic, and, obeying his duty to protect the transit of the Isthmus as all other Presidents had done before him, gave orders that there should be no bloodshed on the line of the railway. He said, like Grant, "Let us have peace," and we had it. It will seem incredible to posterity that any American could have objected to this. He acted wisely and beneficently, and all some people can find to criticise in his action is that he was too brisk about it. If a thing is right and proper to do, it does not make it criminal to do it promptly. No, gentlemen! That was a time when the hour and the man arrived together. He struck while the iron was white hot on the anvil of opportunity and forged as perfect a bit of honest statecraft as this generation has seen.

We could desire no better fortune, in the campaign upon which we are entering, than that the other side should persist in their announced intention to make the issue upon President Roosevelt. What a godsend to our orators! It takes some study, some research, to talk about the tariff, or the currency, or foreign policy. But to talk about Roosevelt! It is as easy as to sing "the glory of the Graeme." Of gentle birth and breeding, yet a man of the people in the best sense; with the training of a scholar and the breezy accessibility of a ranchman; a man of the library and a man of the world; an athlete and a thinker; a soldier and a statesman; a reader, a writer, and a maker of history; with the sensibility of a poet and the steel nerve of a rough rider; one who never did, and never could, turn his back on a friend or an enemy. A man whose merits are so great that he could win on his merits alone; whose personality is so engaging that you lose sight of his merits. Make their fight on a man like that! What irreverent caricaturist was it that called them the Stupid party?

In our candidate for the Vice-Presidency we have followed the old and commendable custom of the Republic and have nominated a man in every way fit for the highest place in the nation, who will bring to the Presidency of the Senate an ability and experience rarely equaled in its history.

#### A Word to Young Men.

I have detained you too long; yet as I close I want to say a word to the young men whose political life is beginning. Anyone entering business would be glad of the chance to become one of an established firm with years of success behind it, with a wide connection, with unblemished character, with credit founded on a rock. How infinitely brighter the future when the present is so sure, the past so glorious. Everything great done by this country in the last fifty years has been done under the auspices of the Republican party. Is not this consciousness a great asset to have in your mind and memory? As a mere item of personal comfort is it not worth having? Lincoln and Grant, Hayes and Garfield, Harrison and McKinley—names secure in the heaven of fame—they all are gone, leaving small estates in worldly goods, but what vast possessions in principles, memories, sacred associations! It is a start in life to share that wealth. Who now boasts that he opposed Lincoln? who brags of his voting against Grant? though both acts may have been from the best of motives. In our form of government there must be two parties, and tradition, circumstances, temperament, will always create a sufficient opposition. But what young man would not rather belong to the party that does things, instead of one that opposes them; to the party that looks up, rather than down; to the party of the dawn, rather than of the sunset. For fifty years the Republican party has believed in the country and labored for it in hope and joy; it has revered the flag and followed it; has carried it under strange skies and planted it on far-receding horizons. It has seen the nation grow greater every year and more respected; by just dealing, by intelligent labor, by a genius for enterprise, it has seen the country extend its intercourse and its influence to regions unknown to our fathers. Yet it has never abated one jot or tittle of the ancient law imposed on us by our God-fearing ancestors. We have fought a good fight, but also we have kept the faith. The Constitution of our fathers has been the light to our feet; our path is, and will ever remain, that of ordered progress, of liberty under the law. The country has vastly increased, but the great-brained statesmen who preceded is provided for infinite growth. The discoveries of science have made miraculous additions to our knowledge. But we are not daunted by progress; we are not afraid of the light. The fabric our fathers builded on such sure foundations will stand all shocks of fate or fortune. There will always be a proud pleasure in looking back on the history they made; but, guided by their example, the coming generation has the right to anticipate work not less important, days equally memorable to mankind. We who are passing off the stage bid you, as the children of Israel encamping by the sea were bidden, to Go Forward; we whose hands can no longer hold the flaming torch pass it on to you that its clear light may show the truth to the ages that are to come.

**SPEECH BY SENATOR FAIRBANKS AT JACKSON, MICH.,  
JULY 6th, 1904, ON THE 50th ANNIVERSARY OF  
THE BIRTH OF THE REPUBLICAN PARTY.**

*Senator Burrows and Fellow Citizens:*

We are met to commemorate no ordinary event, for here a half century ago American patriots solemnly pledged themselves to vindicate the first principles of republican government, to challenge the aggressions of the slave power. Here was issued the second declaration of freedom. Here was taken the initial step which led to the overthrow of slavery and the establishment of the government upon truly national lines. We freely pay the tribute of our grateful appreciation to the memory of those who raised here the standard of republicanism.

The Republican party was born of the conscience of the people, and it was here dedicated to as high and holy a service as ever summoned men to heroic duty.

The appeal to the people of Michigan which was issued by Zachariah Chandler, that stalwart among stalwarts, and his associates, was like a clarion call to exalted service. It was conceived in the same spirit which inspired our fathers in the morning of the American Revolution.

The resolutions here adopted were put upon a high plane. Differences of individual opinion upon all other subjects of state or domestic policy were subordinated to the one overmastering question of the hour. It was solemnly "Resolved, That, postponing and suspending all differences with regard to political economy or administrative policy, in view of the imminent danger that Kansas and Nebraska will be grasped by slavery, we will act cordially and faithfully in unison to avert and repeal this gigantic wrong and shame."

**Integrity of the Nation.**

Thus consecrated, the Republican party was here christened and sent forth to accomplish a more vital mission than ever challenged the consideration of the people since the foundation of the Government.

To the Republican party was committed, in God's providence, the stupendous responsibility of preserving the integrity of the nation itself. We would not here kindle anew the fires of past hates or reopen the debate of long-buried differences which divided section against section, for we stand united under the acknowledged supremacy of one flag and one Constitution. But we may appropriately recall the history of a great generation in which American contested with American for the triumph of opposing theories. In that contest the Republican party stood for the national solidarity. It stood for the nation above the state, and the victory it achieved blessed both the victor and the vanquished. American opposed American with titanic power. American met American upon the field of glory and the God of battles was with the cause espoused by the Republican party. The hates and the enmities which ignorance and false teaching engendered have happily perished and perished forever.

The memory of the valor of those who fought for conscience sake beneath opposing flags remains as a rich national inheritance. The impartial verdict of history is that the Republican party was everlastingly right, and its further verdict is that no American ever surrendered his sword save to an American. Every grave, whether it is tenanted by the heroic youth who wore the blue, or by him who wore the gray, is an enduring pledge of the solidity and unity of the Republic.

Out of the unhappy divisions which followed quickly upon the accession to power of the Republican party came a new national birth, a fusing of national strength beyond the dreams of our fathers.

**Amidst Stirring Events.**

Fifty years is a brief period when compared with the life of the older nations, yet it embraces the entire life of the Republican party, a party whose achievements are among the most lasting and luminous of the deeds done by any party since the beginning



of the Government. It has not lived the life of repose and inactivity, for its career has been characterized by restless energy and serious work. Its lines have been cast amidst stirring events, when great problems were to be solved and mighty deeds were to be done. It has met upon a high level domestic questions of far-reaching significance, and it has increased our national prestige abroad. Our primacy among the nations of the world is generally acknowledged. It is a cause for congratulation to us that the orator of this historic occasion should be one who has done more than any other to establish our prestige among foreign courts, the wise, able, modest, loyal, trusted friend of Abraham Lincoln, William McKinley, and Theodore Roosevelt—the Hon. John Hay.

The span of the last fifty years is, indeed, the golden age of the Republic. During the greater part of this period the Republican party was in the ascendency. Its principles and its policies were in full operation in the nation and our country advanced as never before. Its growth during the existence of the Republican party verges on the marvelous. While the tremendous progress that has been made can not be ascribed, of course, entirely to the wisdom and beneficence of its policies, yet it has contributed immeasurably to the results which have been attained.

#### **Human Liberty Extended.**

It has given security and protection to capital and labor. It has been the wise and loyal friend of each, for it has realized that our greatest development must come through their harmonious cooperation. It has inspired confidence among the people in the integrity and soundness of its administration, all of which is essential to the highest development and progress. No duty has been laid upon it, now matter how sudden or grave, but that it has met it wisely and bravely. It has never capitulated to mere expediency or made a truce with wrong. It has taken the moral side of every great question and has confidently trusted in the sober and ultimate judgment of the American people. It has taught the unity of the Republic, the oneness of the American people, and their interdependency. It has stood against socialistic tendencies and opposed those malign teachings which would establish class distinctions, which are the very life of monarchical institutions and which are baneful to the Republic.

The country of fifty years ago stands in marked contrast to what we behold to-day. Then there were thirty-two States with some 25,000,000 of people, part slave and part free. To-day we have forty-five States, with 80,000,000 of freemen. Then there was division among the States. To-day there is unity of sentiment. Then there was slavery. To-day it is dead and buried beyond the possibility of resurrection. The zone of human liberty has been extended beyond the limits of our borders by the valor of our arms, and established among alien peoples in the distant East.

#### **Worthy of Our Fathers.**

The progress of our people has been manifest in every avenue of human effort. It has been marked in art and science, in philanthropy and charity, in school and church, in industry and commerce. While we have developed in the material world beyond the most optimistic dreams of those who fifty years ago assembled here beneath the historic oaks, we have expanded in all of the higher and better qualities which excite the pride and admiration of the most advanced people.

We stand at the morning of a new century which is to be greater than the past with all of its glorious achievement. It is happy augury that we enter upon it with the Republican party in the ascendency, under Republican policies which are suited to the largest national growth.

The Republican party has given to history many statesmen of great eminence, whose names have become a part of the immeasurable glory of the Republic. We will enter upon the half century which opens before us with such hopeful promise under a brave, patriotic, wise American whose ideals are in harmony with the best traditions of the Republic, and whose ambition is to lead our countrymen and our country in the paths of peace, prosperity, and honor—Theodore Roosevelt.

Let us take hence new inspiration from this hallowed spot and prove ourselves worthy of the virtue and courage of our fathers.



## SPEECH OF HON. ELIHU ROOT.

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**Temporary Chairman of Republican National Convention, at Chicago, June 21, 1904.**

The responsibility of the Government rests upon the Republican party. The complicated machinery through which the 80,000,000 people of the United States govern themselves answers to no single will. The composite government devised by the framers of the Constitution to meet the conditions of national life more than a century ago, requires the willing co-operation of many minds, the combination of many independent factors, in every forward step for the general welfare.

The President at Washington with his cabinet, the ninety senators representing forty-five sovereign states, the 386 representatives in Congress are required to reach concurrent action upon a multitude of questions involving varied and conflicting interests and requiring investigation, information, discussion, and reconciliation of views. From all our vast territory with its varieties of climate and industry, from all our great population active in production and commerce and social progress and intellectual and moral life—to a degree never before attained by any people—difficult problems press upon the National Government.

Within the past five years more than sixty-six thousand bills have been introduced in Congress. Some method of selection must be followed. There must be some preliminary process to ascertain the general tenor of public judgment upon the principles to be applied in government, and some organization and recognition of leadership which shall bring a legislative majority and the Executive into accord in the practical application of those principles, or effective government becomes impossible.

The practical governing instinct of our people has adapted the machinery devised in the eighteenth to the conditions of the twentieth century by the organization of national political parties. In them men join for the promotion of a few cardinal principles upon which they agree. For the sake of those principles they lay aside their differences upon less important questions. To represent those principles and to carry on the Government in accordance with them, they present to the people candidates whose competency and loyalty they approve. The people by their choice of candidates indicate the principles and methods which they wish followed in the conduct of their government. They do not merely choose between men, they choose between parties—between the principles they profess, the methods they follow, the trustworthiness of their professions, the inferences to be drawn from the records of their past, the general weight of character of the body of men who will be brought into participation in government by their ascendancy.

### **A Great Record.**

When the course of the next administration is but half done the Republican party will have completed the first half century of its national life. Of the eleven administrations since the first election of Abraham Lincoln, nine—covering a period of thirty-six years—have been under Republican Presidents. For the greater part of that time the majority in each House of Congress has been Republican. History affords no parallel in any age or country for the growth in national greatness and power and honor, the wide diffusion of the comforts of life, the uplifting of the great mass of the people above the hard conditions of poverty, the common opportunity for education and individual advancement, the universal possession of civil and religious liberty, the protection of property and security for the rewards of industry and enterprise, the cultivation of national morality, respect for religion, sympathy with humanity, and love of liberty and justice

which have marked the life of the American people during this long period of Republican control.

With the platform and the candidates of this convention we are about to ask a renewed expression of popular confidence in the Republican party.

We shall ask it because the principles to which we declare our adherence are right and the best interests of our country require that they should be followed in its government.

We shall ask it because the unbroken record of the Republican party in the past is an assurance of the sincerity of our declarations and the fidelity with which we shall give them effect. Because we have been constant in principle, loyal to our beliefs, and faithful to our promises we are entitled to be believed and trusted now.

We shall ask it because the character of the party gives assurance of good government. A great political organization, competent to govern, is not a chance collection of individuals brought together for the moment as the shifting sands are piled up by wind and sea, to be swept away to be formed and re-formed again. It is a growth. Traditions and sentiments reaching down through struggles of years gone, and the stress and heat of old conflicts, and the influence of leaders passed away, and the ingrained habit of applying fixed rules of interpretation and of thought all give to a political party known and inalienable qualities from which must follow in its deliberate judgment and ultimate action like results for good or bad government. We do not deny that other parties have in their membership men of morality and patriotism, but we assert with confidence that, above all others, by the influences which gave it birth and have maintained its life, by the causes for which it has striven, the ideals which it has followed, the Republican party as a party has acquired a character which makes its ascendancy the best guaranty of a government loyal to principle and effective in execution. Through it more than any other political organization the moral sentiment of America finds expression. It cannot depart from the direction of its tendencies. From what it has been may be known certainly what it must be. Not all of us rise to its standard, not all of us are worthy of its glorious history, but as a whole this great political organization—the party of Lincoln and McKinley—cannot fail to work in the spirit of its past and in loyalty to great ideals.

We shall ask the continued confidence of the people because the candidates whom we present are of proved competency and patriotism, fitted to fill the offices for which they are nominated to the credit and honor of our country.

We shall ask it because the present policies of our Government are beneficial and ought not to be set aside; and the people's business is being well done and ought not to be interfered with.

#### A Few Questions.

Have not the American people reason for satisfaction and pride in the conduct of their Government since the election of 1900, when they rendered their judgment of approval upon the first administration of President McKinley? Have we not had an honest government? Have not the men selected for office been men of good reputation who by their past lives had given evidence that they were honest and competent? Can any private business be pointed out in which lapses from honesty have been so few and so trifling, proportionately, as in the public service of the United States? And when they have occurred have not the offenders been relentlessly prosecuted and sternly punished without regard to political or personal relations?

Have we not had an effective government? Have not the laws been enforced? Has not the slow process of legislative discussion upon many serious questions been brought to practical conclusions embodied in beneficial statutes? And has not the executive proceeded without vacillation or weakness to give these effect? Are not the laws of the United States obeyed at home, and does not our Government command respect and honor throughout the world?

Have we not had a safe and conservative Government? Has not property been protected? Are not the fruits of enterprise and industry secure? What safeguard of the constitution for vested



right or individual freedom has not been scrupulously observed? When has any American administration ever dealt more considerately and wisely with questions which might have been the cause of conflict with foreign powers? When have more just settlements been reached by peaceful means? When has any administration wielded a more powerful influence for peace and when have we rested more secure in friendship with all mankind?

Four years ago the business of the country was loaded with burdensome internal taxes, imposed during the war with Spain. By the acts of March 2, 1901, and April 12, 1902, the country has been wholly relieved of that annual burden of over one hundred million dollars; and the further accumulation of a surplus, which was constantly withdrawing the money of the country from circulation, has been prevented by the reduction of taxation.

Between the 30th of June, 1900, and the 1st of June, 1904, our Treasury Department collected in revenues the enormous sum of \$2,203,000,000 and expended \$2,028,000,000, leaving us with a surplus of over \$170,000,000 after paying the \$50,000,000 for the Panama canal and loaning \$4,600,000 to the St. Louis Exposition. Excluding these two extraordinary payments, which are investments from past surplus and not expenditures of current income, the surplus for this year will be the reasonable amount of about \$12,000,000.

### **The Financial Policy.**

The vast and complicated transactions of the Treasury, which for the last fiscal year show actual cash receipts of \$4,250,290,262 and disbursements of \$4,113,199,414, have been conducted with perfect accuracy and fidelity and without the loss of a dollar. Under wise management the financial act of March 14, 1900, which embodied the sound financial principles of the Republican party and provided for the maintenance of our currency on the stable basis of the gold standard, has wrought out beneficent results. On the 1st of November, 1899, the interest-bearing debt of the United States was \$1,046,049,020. On the 1st of May last the amount of that debt was \$895,157,440, a reduction of \$150,891,580. By refunding, the annual interest has been still more rapidly reduced from \$40,347,884 on the 1st of November, 1899, to \$24,176,745 on the 1st of June, 1904, an annual saving of over \$16,000,000. When the financial act was passed the thinly settled portions of our country were suffering for lack of banking facilities because the banks were in the large towns, and none could be organized with a capital of less than \$50,000. Under the provisions of that act there were organized down to the 1st of May last 1,296 small banks of \$25,000 capital, furnishing, under all the safeguards of the national banking system, facilities to the small communities of the west and south. The facilities made possible by that act have increased the circulation of national banks from \$254,402,730 on the 14th of March, 1900, to \$445,988,565 in the 1st of June, 1904. The money of the country in circulation has not only increased in amount with our growth in business, but it has steadily gained in the stability of the basis on which it rests. On the 1st of March, 1897, when the first administration of McKinley began, we had in the country including bullion in the Treasury, \$1,806,272,076. This was \$23.14 per capita for our population, and of this 38.893 per cent. was gold. On the 1st of March, 1901, when the second administration of McKinley began, the money in the country was \$2,467,295,228. This was \$28.34 per capita, and of this 45.273 per cent. was gold. On the 1st of May last the money in the country was \$2,814,985,446, which was \$31.02 per capita, and of it 48.028 per cent. was gold. This great increase of currency has been arranged in such a way that the large government notes in circulation are gold certificates, while the silver certificates and greenbacks are of small denominations. As the large gold certificates represent gold actually on deposit, their presentation at the Treasury in exchange for gold can never infringe upon the gold reserve. As the small silver certificates and greenbacks are always in active circulation, no large amount of them can be accumulated for the purpose of drawing on the gold reserve; and thus, while every man can get a gold dollar for every dollar of the Government's currency, the endless chain which we were once taught to fear so much has been effectively



put out of business. The Secretary of the Treasury has shown himself mindful of the needs of business and has so managed our finances as himself to expand and contract our currency as occasion has required. When in the fall of 1902 the demand for funds to move the crops caused extraordinary money stringency, the Secretary exercised his lawful right to accept state and municipal bonds as security for public deposits, thus liberating United States bonds which were used for additional circulation. When the crops were moved and the stringency was over he called for a withdrawal of the state and municipal securities, and thus contracted the currency. Again, in 1903, under similar conditions, he produced similar results. The payment of the \$50,000,000 for the Panama Canal made last month without causing the slightest disturbance in finance showed good judgment and a careful consideration of the interests of business upon which our people may confidently rely.

#### Regulation of Trusts.

Four years ago the regulation by law of the great corporate combinations called "trusts" stood substantially where it was when the Sherman Anti-Trust Act of 1890 was passed. President Cleveland, in his last message of December, 1896, had said:

"Though Congress has attempted to deal with this matter by legislation, the laws passed for that purpose thus far have proved ineffective not because of any lack of disposition or attempt to enforce them, but simply because the laws themselves as interpreted by the courts do not reach the difficulty. If the insufficiencies of existing laws can be remedied by further legislation, it should be done. The fact must be recognized, however, that all Federal legislation on this subject may fall short of its purpose because of inherent obstacles and also because of the complex character of our governmental system, which, while making Federal authority supreme within its sphere, has carefully limited that sphere by metes and bounds that cannot be transgressed."

At every election, the regulation of trusts had been the football of campaign oratory and the subject of many insincere declarations.

Our Republican administration has taken up the subject in a practical, sensible way as a business rather than a political question, saying what it really meant, and doing what lay at its hand to be done to accomplish effective regulation. The principles upon which the government proceeded were stated by the President in his message of December, 1902. He said:

"A fundamental base of civilization is the inviolability of property; but this is in no wise inconsistent with the right of society to regulate the exercise of the artificial powers which it confers upon the owners of property, under the name of corporate franchises, in such a way as to prevent the misuse of these powers. \* \* \*

"We can do nothing of good in the way of regulating and supervising these corporations until we fix clearly in our minds that we are not attacking the corporations, but endeavoring to do away with any evil in them. We are not hostile to them; we are merely determined that they shall be so handled as to subserve the public good. We draw the line against misconduct, not against wealth. \* \* \*

"In curbing and regulating the combinations of capital which are or may become injurious to the public we must be careful not to stop the great enterprises which have legitimately reduced the cost of production, not to abandon the place which our country has won in the leadership of the international industrial world, not to strike down wealth with the result of closing factories and mines, of turning the wage-worker idle in the streets and leaving the farmer without a market for what he grows. \* \* \*

"I believe that monopolies, unjust discriminations which prevent or cripple competition, fraudulent over-capitalization, and other evils in trust organizations and practices which injuriously affect interstate trade, can be prevented under the power of the Congress to 'regulate commerce with foreign nations and among the several States' through regulations and requirements operating directly upon such commerce, the instrumentalities thereof, and those engaged therein."

After long consideration, Congress passed three practical statutes: On the 11th of February, 1903, an act to expedite hearings in suits in enforcement of the Anti-Trust Act; on the 14th of February, 1903, the act creating a new Department of Commerce and Labor with a Bureau of Corporations, having authority to secure systematic information regarding the organization and operation of corporations engaged in interstate commerce; and on the 19th of February, 1903, an act enlarging the powers of the Interstate Commerce Commission and of the court, to deal with secret re-

bates in transportation charges, which are the chief means by which the trusts crush out their smaller competitors.

The Attorney-General has gone in the same practical way, not to talk about the trusts, but to proceed against the trusts by law for their regulation. In separate suits fourteen of the great railroads of the country have been restrained by injunction from giving illegal rebates to the favored shippers, who by means of them were driving out the smaller shippers and monopolizing the grain and meat business of the country. The beef trust was put under injunction. The officers of the railroads engaged in the cotton carrying pool, affecting all that great industry of the South, were indicted and have abandoned their combination. The Northern Securities Company, which undertook by combining in one ownership the capital stocks of the Northern Pacific and Great Northern Railroads to end traffic competition in the Northwest, has been destroyed by a vigorous prosecution, expedited and brought to a speedy and effective conclusion in the Supreme Court under the act of February 11th, 1903. The Attorney-General says:

"Here, then, are four phases of the attack on the combinations in restraint of trade and commerce—the railroad injunction suits, the cotton pool cases, the beef trust cases, and the Northern Securities case. The first relates to the monopoly produced by secret and preferential rates for railroad transportation; the second to railroad traffic pooling; the third to a combination of independent corporations to fix and maintain extortionate prices for meats, and the fourth to a corporation organized to merge into itself the control of parallel and competing lines of railroad and to eliminate competition in their rates of transportation."

#### **Lawful Concerns Protected.**

The right of the Interstate Commerce Commission to compel the production of books and papers has been established by the judgment of the Supreme Court in a suit against the coal-carrying roads. Other suits have been brought and other indictments have been found and other trusts have been driven back within legal bounds. No investment in lawful business has been jeopardized, no fair and honest enterprise has been injured; but it is certain that wherever the constitutional power of the National Government reaches, trusts are being practically regulated and curbed within lawful bounds as they never have been before, and the men of small capital are finding in the efficiency and skill of the national Department of Justice a protection they never had before against the crushing effect of unlawful combinations.

We have at last reached a point where the public wealth of farm land, which has seemed so inexhaustible, is nearly gone, and the problem of utilizing the remainder for the building of new homes has become of vital importance.

The present administration has dealt with this problem vigorously and effectively. Great areas had been unlawfully fenced in by men of large means, and the home-builder had been excluded. Many of these unlawful aggressors have been compelled to relinquish their booty and more than 2,000,000 acres of land have been restored to the public. Extensive frauds in procuring grants of land, not for homesteads but for speculation, have been investigated and stopped, and the perpetrators have been indicted and are being actively prosecuted. A competent commission has been constituted to examine into the defective working of the existing laws and to suggest practical legislation to prevent further abuse. That commission has reported, and bills adequate to accomplish the purpose have been framed and are before Congress. The further denudation of forest areas, producing alternate floods and dryness in our river valleys, has been checked by the extension of forest reserves, which have been brought to aggregate more than 63,000,000 acres of land. The reclamation by irrigation of the vast arid regions forming the chief part of our remaining public domain has been provided for by the National Reclamation Law of June 17, 1903. The execution of this law, without taxation and by the application of the proceeds of public land sales alone, through the construction of storage reservoirs for water, will make many millions of acres of fertile lands available for settlement. Over \$20,000,000 from these sources has been already received to the credit of the reclamation fund. Over 33,000,000 acres of public lands in fourteen states and territories have been embraced in the sixty-seven projects which have been devised are under examina-



tion, and on eight of these the work of actual construction has begun.

The postal service has been extended and improved. Its revenues have increased from \$76,000,000 in 1895 to \$95,000,000 in 1899, and \$144,000,000 in 1904. In dealing with these vast sums a few cases of peculation, trifling in amount, and by subordinate officers, have occurred there as they occur in every business. Neither fear nor favor, nor political or personal influence, has availed to protect the wrongdoers. Their acts have been detected, investigated, laid bare; they have been dismissed from their places, prosecuted criminally, indicted, many of them tried, and many of them convicted. The abuses in the carriage of second-class mail matter have been remedied. The rural free delivery has been widely extended. It is wholly the creation of Republican administration. The last Democratic Postmaster-General declared it impracticable. The first administration of McKinley proved the contrary. At the beginning of the fiscal year 1899 there were about 200 routes in operation. There are now more than 25,000 routes, bringing a daily mail service to more than 12,000,000 of our people in rural communities, enlarging the circulation of the newspaper and the magazine, increasing communication and relieving the isolation of life on the farm.

#### **For the Farmer.**

The Department of Agriculture has been brought to a point of efficiency and practical benefit never before known. The Oleomargarine Act of May 9, 1902, now sustained in the Supreme Court, and the Act of July 1, 1902, to prevent the false branding of food and dairy products, protect farmers against fraudulent imitations. The Act of February 2, 1903, enables the Secretary of Agriculture to prevent the spread of contagious and infectious diseases of live stock. Rigid inspection has protected our cattle against infection from abroad, and has established the highest credit for our meat products in the markets of the world. The earth has been searched for weapons with which to fight the enemies that destroy the growing crops. An insect brought from near the Great Wall of China has checked the San Jose scale, which was destroying our orchards; a parasitic fly brought from South Africa is exterminating the black scale in the lemon and orange groves of California; and an ant from Guatemala is about offering battle to the boll weevil. Broad science has been brought to the aid of limited experience. Study of the relations between plant life and climate and soil has been followed by the introduction of special crops suited to our varied conditions. The introduction of just the right kind of seed has enabled the Gulf States to increase our rice crop from 115,000,000 pounds in 1898 to 400,000,000 pounds in 1903, and to supply the entire American demand, with a surplus for export. The right kind of sugar beet has increased our annual production of beet sugar by over 200,000 tons. Seed brought from countries of little rainfall is producing millions of bushels of grain on lands which a few years ago were deemed a hopeless part of the arid belt.

The systematic collection and publication of information regarding the magnitude and conditions of our crops is mitigating the injury done by speculation to the farmer's market.

To increase the profit of the farmer's toil, to protect the farmer's product and extend his market, and to improve the conditions of the farmer's life; to advance the time when America shall raise within her own limits every product of the soil consumed by her people, as she makes within her own limits every necessary product of manufacture—these have been cardinal objects of Republican administration; and we show a record of practical things done toward the accomplishment of these objects never before approached.

#### **That Pledge to Cuba.**

Four years ago we held the Island of Cuba by military occupation. The opposition charged, and the people of Cuba believed, that we did not intend to keep the pledge of April 20, 1898, that when the pacification of Cuba was accomplished we should leave the government and control of the island to its people. The new policy towards Cuba which should follow the fulfilment of that



pledge was unformed. During the four years it has been worked out in detail and has received effect. It was communicated by executive order to the Military Governor. It was embodied in the Act of Congress known as the Platt Amendment. It was accepted by the Cuban Constitutional Convention on the 12th of October, 1901. It secured to Cuba her liberty and her independence, but it required her to maintain them. It forbade her ever to use the freedom we had earned for her by so great a sacrifice of blood and treasure, to give the island to any other power; it required her to maintain a government adequate for the protection of life and property and liberty, and should she fail, it gave us the right to intervene for the maintenance of such a government. And it gave us the right to naval stations upon her coast for the protection and defense alike of Cuba and the United States.

On the 20th of May, 1902, under a constitution which embodied these stipulations, the government and control of Cuba were surrendered to the President and Congress elected by her people, and the American army sailed away. The new republic began its existence with an administration of Cubans completely organized in all its branches and trained to effective service by American officers. The administration of President Palma has been wise and efficient. Peace and order have prevailed. The people of Cuba are prosperous and happy. Her finances have been honestly administered, and her credit is high. The naval stations have been located and bounded by Guantnamo and Bahía Honda, and are in the possession of our navy. The Platt Amendment is the sheet anchor of Cuban independence and of Cuban credit. No such revolutions as have afflicted Central and South America are possible there, because it is known to all men that an attempt to overturn the foundations of that government will be confronted by the overwhelming power of the United States. The treaty of reciprocity and the Act of Congress of December 6, 1903, which confirmed it, completed the expression of our policy towards Cuba: which with a far view to the future was to bind us by ties of benefit and protection, of mutual interest and genuine friendship to that island which guards the Caribbean and the highway to the isthmus, and must always be, if hostile, an outpost of attack, and, if friendly, an outpost of defense for the United States. Rich as we are, the American people have no more valuable possession than the sentiment expressed in the dispatch which I will now read:

HAVANA, May 20, 1902.

Theodore Roosevelt, President, Washington.

The government of the island having been just transferred, I, as Chief Magistrate of the Republic, faithfully interpreting the sentiment of the whole people of Cuba, have the honor to send you and the American people testimony of our profound gratitude and the assurance of an enduring friendship, with wishes and prayers to the Almighty for the welfare and prosperity of the United States.

T. ESTRADA PALMA.

#### **As to the Philippines.**

When the last national convention met the Philippines also were under military rule. The insurrectos from the mountains spread terror among the peaceful people by midnight foray and secret assassination. Aguinaldo bided his time in a secret retreat. Over seventy thousand American soldiers from more than five hundred stations held a still vigorous enemy in check. The Philippine Commission had not yet begun its work.

The last vestige of insurrection has been swept away. With their work accomplished, over 55,000 American troops have been brought back across the Pacific. Civil government has been established throughout the archipelago, peace and order and justice prevail. The Philippine Commission, guided at first by executive order and then by the wise legislation of Congress, in the Philippine Government Act of July 1, 1902, have established and conducted a government which has been a credit to their country and a blessing to the people of the islands. The body of laws which they have enacted upon careful and intelligent study of the needs of the country challenges comparison with the statutes of any country. The personnel of civil government has been brought together under an advanced and comprehensive civil service law which has been rigidly enforced. A complete census has been

taken, designed to be there as it was in Cuba the basis for representative government; and the people of the islands will soon proceed under provisions already made by Congress to the election of a representative assembly, in which for the first time in their history they may have a voice in the making of their own laws. In the meantime the local and provincial governments are in the hands of officers elected by the Filipinos; and in the great central offices, in the Commission, on the bench, in the executive departments, the most distinguished men of the Filipino race are taking their part in the government of their people. A free school system has been established and hundreds of thousands of children are learning lessons which will help fit them for self-government. The seeds of religious strife existing in the bitter controversy between the people and the religious orders have been deprived of potency for harm by the purchase of the friars' lands, and their practical withdrawal. By the Act of Congress of March 2, 1903, a gold standard has been established to take the place of the fluctuating silver currency. The unit of value is made exactly one-half the value of the American gold dollar, so that American money is practically part of their currency system. To enable the Philippine Government to issue this new currency \$6,000,000 was borrowed by them in 1903 in the city of New York; and it was borrowed at a net interest charge of  $1\frac{1}{8}$  per cent per annum. The trade of the islands has increased notwithstanding adverse conditions. During the last five years of peace under Spanish rule the average total trade of the islands was less than \$36,000,000. During the fiscal year ending June 30, 1903, the trade of the islands was over \$66,000,000. There is but one point of disturbance, and that is in the country of the Mohammedan Moros, where there is an occasional fitful savage outbreak against the enforcement of the law recently made to provide for adequate supervision and control to put an end to the practice of human slavery.

When Governor Taft sailed from Manila in December last to fill the higher office where he will still guard the destinies of the people for whom he has done such great and noble service, he was followed to the shore by a mighty throng, not of repressed and sullen subjects, but of free and peaceful people, whose tears and prayers of affectionate farewell showed that they had already begun to learn that "our flag has not lost its gift of benediction in its world-wide journey to their shores."

None can foretell the future; but there seems no reasonable cause to doubt that, under the policy already effectively inaugurated, the institutions already implanted, and the processes already begun in the Philippine Islands, if these be not repressed and interrupted, the Philippine people will follow in the footsteps of the people of Cuba; that more slowly indeed, because they are not as advanced, yet as surely, they will grow in capacity for self-government, and receiving power as they grow in capacity, will come to bear substantially such relations to the people of the United States as do now the people of Cuba, differing in details as conditions and needs differ, but the same in principle and the same in beneficent results.

#### **The Panama Canal.**

In 1900 the project of an isthmian canal stood where it was left by the Clayton-Bulwer Treaty of 1850. For half a century it had halted, with Great Britain resting upon a joint right of control, and the great undertaking of de Lesseps struggling against the doom of failure imposed by extravagance and corruption. On the 18th of November, 1901, the Hay-Pauncefote Treaty with Great Britain relieved the enterprise of the right of British control and left that right exclusively in the United States. Then followed swiftly the negotiations and protocols with Nicaragua; the Isthmian Canal Act of June 28, 1902; the just agreement with the French canal company to pay them the value of the work they had done; the negotiation and ratification of the treaty with Colombia; the rejection of that treaty by Colombia in violation of our rights and the world's right to the passage of the isthmus; the seizure by Panama of the opportunity to renew her oft-repeated effort to throw off the hateful and oppressive yoke of Colombia and resume the independence which once had been hers, and of which she had been deprived by fraud and force; the suc-



cess of the revolution; our recognition of the new republic, followed by recognition from substantially all the civilized powers of the world; the treaty with Panama recognizing and confirming our right to construct the canal; the ratification of the treaty by the Senate; confirmatory legislation by Congress; the payment of the \$50,000,000 to the French company and to Panama; the appointment of the Canal Commission in accordance with law, and its organization to begin the work.

The action of the United States at every step has been in accordance with the law of nations, consistent with the principles of justice and honor, in discharge of the trust to build the canal we long since assumed by denying the right of every other power to build it, dictated by a high and unselfish purpose, for the common benefit of all mankind. That action was wise, considerate, prompt, vigorous and effective; and now the greatest of constructive nations stands ready and competent to begin and to accomplish the great enterprise which shall realize the dreams of past ages, bind together our Atlantic and Pacific coasts, and open a new highway for that commerce of the Orient whose course has controlled the rise and fall of civilizations. Success in that enterprise greatly concerns the credit and honor of the American people, and it is for them to say whether the building of the canal shall be in charge of the men who made its building possible, or of the weaklings whose incredulous objections would have postponed it for another generation.

#### For Peace and Justice.

Throughout the world the diplomacy of the present administration has made for peace and justice among nations. Clear-sighted to perceive and prompt to maintain American interests, it has been sagacious and simple and direct in its methods, and considerate of the rights of the feelings of others.

Within the month after the last national convention met Secretary Hay's circular note of July 3, 1900, to the great powers of Europe had declared the policy of the United States

"to seek a solution which may bring about permanent safety and peace to China, preserve China's territorial and administrative entity, protect all rights guaranteed to friendly powers by treaty and international law, and safeguard for the world the principle of equal and impartial trade with all parts of the Chinese Empire."

The express adherence of the powers of Europe to this declaration was secured. The open recognition of the rule of right conduct imposed its limitations upon the conduct of the powers in the Orient. It was made the test of defensible action. Carefully guarded by the wise statesman who had secured its acceptance, it brought a moral force of recognized value to protect peaceful and helpless China from dismemberment and spoliation, and to preserve the open door in the Orient for the commerce of the world. Under the influence of this effective friendship, a new commercial treaty with China, proclaimed on the 8th of October last, has enlarged our opportunities for trade, opened new ports to our commerce, and abolished internal duties on goods in transit within the Empire. There were indeed other nations which agreed with this policy of American diplomacy, but no other nation was free from suspicion of selfish aims. None other had won confidence in the sincerity of its purpose, and none other but America could render the service which we have rendered to humanity in China during the past four years. High evidence of that enviable position of our country is furnished by the fact that when all Europe was in apprehension lest the field of war between Russia and Japan should so spread as to involve China's ruin and a universal conflict, it was to the American Government that the able and far-sighted German Emperor appealed, to take the lead again in bringing about an agreement for the limitation of the field of action, and the preservation of the administrative entity of China outside of Manchuria; and that was accomplished.

Upon our own continent a dispute with Canada over the boundary of Alaska had been growing more acute for 30 years. A multitude of miners, swift to defend their own rights by force, were locating mining claims under the laws of both countries in the disputed territory. At any moment a fatal affray between Canadian and American miners was liable to begin a conflict in which all British Columbia would be arrayed on one side and



all our Northwest upon the other. Agreement was impossible. But the Alaskan Boundary Treaty of January 24, 1903, provided a tribunal for the decision of the controversy; and upon legal proofs and reasoned argument, an appeal has been had from prejudice and passion to judicial judgment; and under the lead of a great Chief Justice of England, who held the sacred obligations of his judicial office above all other considerations, the dispute has been settled forever and substantially in accordance with the American contention.

#### **International Arbitration.**

In 1900 the first administration of McKinley had played a great part in establishing the Hague Tribunal for international arbitration. The prevailing opinion of Europe was incredulous as to the practical utility of the provision and anticipated a paper tribunal unsought by litigants. It was the example of the United States which set at naught this opinion. The first international case taken to the Hague Tribunal was under our protocol with Mexico of May 22, 1902, submitting our contention for the rights of the Roman Catholic Church in California to a share of the Church moneys held by the Mexican Government before the cession and known as the Pious Fund; and the first decision of the tribunal was an award in our favor upon that question.

When in 1903 the failure of Venezuela to pay her just debts led England, Germany and Italy to warlike measures for the collection of their claims, an appeal by Venezuela to our Government resulted in agreements upon arbitration in place of the war, and in a request that our President should act as arbitrator. Again he promoted the authority and prestige of the Hague Tribunal and was able to lead all the powers to submit the crucial questions in controversy to the determination of that court. It is due greatly to support by the American Government that this agency for peace has disappointed the expectations of its detractors, and by demonstrations of practical usefulness has begun a career fraught with possibilities of incalculable benefit to mankind.

On the 11th of April, 1903, was proclaimed another convention between all the great powers, agreeing upon more humane rules for the conduct of war; and these in substance incorporated and gave the sanction of the civilized world to the rules drafted by Francis Lieber and approved by Abraham Lincoln for the conduct of the armies of the United States in the field.

All Americans who desire safe and conservative administration which shall avoid cause of quarrel, all who abhor war, all who long for the perfect sway of the principles of that religion which we all profess, should rejoice that under this Republican administration their country has attained a potent leadership among the nations in the cause of peace and international justice.

The respect and moral power thus gained has been exercised in the interests of humanity where the rules of diplomatic intercourse have made formal intervention impossible. When the Roumanian outrages, and when the appalling massacre at Kishineff shocked civilization and filled thousands of our own people with mourning, the protest of America was heard through the voice of its Government, with full observance of diplomatic rules, but with moral power and effect.

We have advanced the authority of the Monroe Doctrine. Our adherence to the convention which established the Hague Tribunal was accepted by the other powers, with a formal declaration that nothing therein contained should be construed to imply the relinquishment by the United States of its traditional attitude toward purely American questions. The armed demonstration by the European powers against Venezuela was made the occasion for disclaimers to the United States of any intention to seize the territory of Venezuela, recognizing in the most unmistakable way the rights of the United States expressed in the declaration of that traditional policy.

In the meantime, mindful that moral powers unsupported by physical strength do not always prevail against selfishness and aggression, we have been augmenting the forces which command respect.

#### **The Army and Navy.**

We have brought our navy to a high state of efficiency and have exercised both army and navy in the methods of seacoast defense.

The joint army and navy board has been bringing the two services together in good understanding and the common study of the strategy, the preparation and the co-operation which will make them effective in time of need. Our ships have been exercised in fleet and squadron movements, have been improved in marksmanship and mobility, and have been constantly tested by use. Since the last national convention met we have completed and added to our navy 5 battleships, 4 cruisers, 4 monitors, 34 torpedo destroyers and torpedo boats; while we have put under construction 13 battleships and 13 cruisers.

Four years ago our army numbered over 100,000 men, regulars and volunteers, 75 per cent of them in the Philippines and China. Under the operation of statutes limiting the period of service, it was about to lapse back into its old and insufficient number of 27,000 and its old and insufficient organization under the practical control of permanent staff departments at Washington, with the same divisions of counsel and lack of co-ordinating and directing power at the head that led to confusion and scandal in the war with Spain. During the past four years the lessons taught by that war have received practical effect. The teachings of Sherman and of Upton have been recalled and respected. Congress has fixed a maximum of the army at 100,000 and a minimum at 60,000, so that maintaining only the minimum in peace, as we now do, when war threatens the President may begin preparations by filling the ranks to the maximum, without waiting until after war has begun, as he had to wait in 1898. Permanent staff appointments have been changed to details from the line, with compulsory returns at fixed intervals to service with troops, so that the requirements of the field and the camp rather than the requirements of the office desk shall control the departments of administration and supply. A corps organization has been provided for our artillery, with a chief of artillery at the head, so that there may be intelligent use of our costly sea-coast defenses. Under the Act of February 14, 1903, a General Staff has been established, organized to suit American conditions and requirements and adequate for the performance of the long-neglected but all-important duties of directing military education and training, and applying the most advanced principles of military science to that necessary preparation for war which is the surest safeguard of peace. The command of the army now rests where it is placed by the Constitution—in the President. His power is exercised through a military chief of staff pledged by the conditions and tenure of his office to confidence and loyalty to his commander. Thus civilian control of the military arm, upon which we must always insist, is reconciled with that military efficiency which can be obtained only under the direction of the trained military expert.

#### **New Military System.**

Four years ago we were living under an obsolete militia law more than a century old, which Washington and Jefferson and Madison, and almost every President since their time, had declared to be worthless. We presented the curious spectacle of a people depending upon a citizen soldiery for protection against aggression, and making practically no provision whatever for training its citizens in the use of warlike weapons or in the elementary duties of the soldier. The mandate of the Constitution which required Congress to provide for organizing, arming and disciplining the militia had been left unexecuted. In default of national provisions, bodies of state troops, created for local purposes and supported at local expense, had grown up throughout the Union. Their feelings towards the Regular Army were rather of distrust and dislike than of comradeship. Their arms, equipment, discipline, organization and methods of obtaining and accounting for supplies were varied and inconsistent. They were unsuited to become a part of any homogeneous force, and their relations to the Army of the United States were undefined and conjectural. By the Militia Act of January 20, 1903, Congress performed its duty under the Constitution. Leaving these bodies still to perform their duties to the States, it made them the organized militia of the United States. It provided for their conformity in armament, organization and discipline to the Army of the United States; it



provided the ways in which, either strictly as militia or as volunteers, they should become an active part of the Army when called upon; it provided for their training, instruction and exercise conjointly with the Regular Army; it imposed upon the Regular Army the duty of promoting their efficiency in many ways. In recognition of the service to the nation which these citizen soldiers would be competent to render, the nation assumed its share of the burden of their armament, their supply and their training. The workings of this system have already demonstrated, not only that we can have citizens outside of the Regular Army trained for duty in war, but that we can have a body of volunteer officers ready for service, between whom and the officers of the Regular Army have been created by intimate association and mutual helpfulness those relations of confidence and esteem without which no army can be effective.

The first administration of McKinley fought and won the war with Spain, put down the insurrection in the Philippines, annexed Hawaii, rescued the legations in Peking, brought Porto Rico into our commercial system, enacted a protective tariff, and established our national currency on the firm foundations of the gold standard by the financial legislation of the Fifty-sixth Congress.

The present administration has reduced taxation, reduced the public debt, reduced the annual interest charge, made effective progress in the regulation of trusts, fostered business, promoted agriculture, built up the navy, reorganized the army, resurrected the militia system, inaugurated a new policy for the preservation and reclamation of public lands, given civil government to the Philippines, established the Republic of Cuba, bound it to us by ties of gratitude, of commercial interest and of common defense, swung open the closed gateway of the Isthmus, strengthened the Monroe Doctrine, ended the Alaskan boundary dispute, protected the integrity of China, opened wider its doors of trade, advanced the principle of arbitration, and promoted peace among the nations.

#### More Work Ahead.

We challenge judgment upon this record of effective performance in legislation, in execution and in administration.

The work is not fully done; policies are not completely wrought out; domestic questions still press continually for solution; other trusts must be regulated; the tariff may presently receive revision, and if so, should receive it at the hands of the friends and not the enemies of the protective system; the new Philippine Government has only begun to develop its plans for the benefit of that long-neglected country; our flag floats on the Isthmus, but the canal is yet to be built; peace does not yet reign on earth, and considerate firmness backed by strength are still needful in diplomacy.

The American people have now to say whether policies shall be reversed or committed to unfriendly guardians; whether performance, which now proves itself for the benefit and honor of our country, shall be transferred to unknown and perchance to feeble hands.

No dividing line can be drawn athwart the course of this successful administration. The fatal 14th of September, 1901, marked no change of policy, no lower level of achievement. The bullet of the assassin robbed us of the friend we loved; it took away from the people the President of their choice; it deprived civilization of a potent force making always for righteousness and for humanity. But the fabric of free institutions remained unshaken. The government of the people went on. The great party that William McKinley led wrought still in the spirit of his example. His true and loyal successor has been equal to the burden cast upon him. Widely different in temperament and methods, he has approved himself of the same elemental virtues—the same fundamental beliefs. With faithful and revering memory, he has executed the purposes and continued unbroken the policy of President McKinley for the peace, prosperity and honor of our beloved country. And he has met all new occasions with strength and resolution and far-sighted wisdom.

As we gather in this convention, our hearts go back to the friend—the never-to-be-forgotten friend, whom when last we met we acclaimed with one accord as our universal choice to bear a



second time the highest honor in the nation's gift; and back still, memory goes through many a year of leadership and loyalty.

How wise and how skillful he was; how modest and self-effacing; how deep his insight into the human heart; how swift the intuitions of his sympathy; how compelling the charm of his gracious presence. He was so unselfish, so thoughtful of the happiness of others, so genuine a lover of his country and his kind. And he was the kindest and tenderest friend who ever grasped another's hand. Alas, that his virtues did plead in vain against cruel fate.

Yet we may rejoice that while he lived he was crowned with honor; that the rancor of party strife had ceased; that success in his great tasks, the restoration of peace, the approval of his countrymen, the affection of his friends gave the last quiet months in his home at Canton repose and contentment.

#### **McKinley and Hanna.**

And with McKinley we remember Hanna with affection and sorrow—his great lieutenant. They are together again.

But we turn as they would have us turn, to the duties of the hour, the hopes of the future; we turn as they would have us turn, to prepare ourselves for struggle under the same standard borne in other hands by right of true inheritance. Honor, truth, courage, purity of life, domestic virtue, love of country, loyalty to high ideals—all these combined with active intelligence, with learning, with experience in affairs, with the conclusive proof of competency afforded by wise and conservative administration, by great things already done and great results already achieved—all these we bring to the people with another candidate. Shall not these have honor in our land? Truth, sincerity, courage; these underlie the fabric of our institutions. Upon hypocrisy and sham, upon cunning and false pretense, upon weakness and cowardice, upon the arts of the demagogue and the devices of the mere politician no government can stand. No system of popular government can endure in which the people do not believe and trust. Our President has taken the whole people into his confidence. Incapable of deception, he has put aside concealment. Frankly and without reserve he has told them what their government was doing, and the reasons. It is no campaign of appearances upon which we enter, for the people know the good and the bad, the success and failure, to be credited and charged to our account. It is no campaign of sounding words and specious pretenses, for our President has told the people with frankness what he believed and what he intended. He has meant every word he said, and the people have believed every word he said, and with him this convention agrees because every word has been sound Republican doctrine. No people can maintain free government who do not in their hearts value the qualities which have made the present President of the United States conspicuous among the men of his time as a type of noble manhood. Come what may here—come what may in November, God grant that those qualities of brave, true manhood shall have honor throughout America, shall be held for an example in every home, and that the youth of generations to come may grow up to feel that it is better than wealth, or office, or power, to have the honesty, the purity, and the courage of Theodore Roosevelt.

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**A party is of worth only so far as it promotes the national interest.—From President Roosevelt's speech of acceptance.**

**Our domestic trade must be won back and our idle working people employed in gainful occupations at American wages.—Major McKinley to the Notification Committee, 1896.**

**President Roosevelt was the greatest conservative force for the protection of property and of capital in the city of Washington during the years that have elapsed since President McKinley's death.—Hon. Ellhu Root, at New York, Feb. 3, 1904.**

**If a tariff law has on the whole worked well, and if business has prospered under it and is prospering, it may be better to endure some inconveniences and inequalities for a time than, by making changes, to risk causing disturbance and perhaps paralysis in the industries and business of the country.—President Roosevelt at Minneapolis, April 4, 1903.**

## SPEECH OF HON. J. G. CANNON.

### Permanent Chairman of the Republican National Convention.

For the first time in my life I have in black and white enough sentences to contain 2,500 words to say to you. I have tried to memorize it (laughter), but I cannot. I have given it out through the usual channels to the great audience, and now I must either beg to be excused entirely or I must do as we do down in the House of Representatives under the five-minute rule and make a few feeble remarks. But that no man shall say that I have not made a great speech, I will set that matter at rest by saying that from beginning to end I heartily indorse every statement of fact and every sentiment that was given you yesterday from the temporary presiding officer in the greatest speech ever delivered at a convention. (Applause.)

Now let me go on and ramble. (Laughter.) And first they say that there is no enthusiasm in this convention. Gentlemen, the great river that has its 30 feet of water, rising in the mountains and growing in depth and breadth down to the ocean, bears upon its bosom the commerce of that section of land that it drains and pours it out to the world. It is a silent river, and yet the brawling river that is like to the River Platte out in Nebraska, that is fourteen miles wide and four inches deep, makes more noise than the bigger rivers. (Applause.) When we were young folks twenty years ago (laughter) we went to see our best girls. We were awfully enthusiastic if she would give us a nod of the head or the hip-away, catch me if you can (laughter), to enter upon the chase; that was awfully strenuous and awfully enthusiastic. (Laughter.) But when she said "Yes," then good relations were established and we went on evenly throughout the balance of our lives. (Laughter and applause.) It is a contest that makes enthusiasm. In 1904 as in 1900 everybody has known for twelve months past who is to be our standard-bearer in this campaign. (Loud applause and cheering.) We are here for business. (Laughter.) I wonder if our friends, the enemy, would not be glad of a little of our kind of enthusiasm. (Prolonged laughter and applause.)

I might illustrate further; I don't know that it is necessary. I see some of my former friends before me—my colleague, Col. Snowden, and various others. (Applause.) Now, there is not one of you that raises chickens, as I do, but what understands that when the hen comes off the nest with one chicken she does more scratching and makes more noise than the motherly hen that is fortunate with twenty-three. (Laughter.) Our friends, the enemy, will have the enthusiasm, we will take the votes in November. (Applause.)

To be serious for a moment. The Republican party is a government through party and through organization—oh, you find people once in a while who do not want any parties. As long as you have 80,000,000 of people competent for self-government they will organize and will call the organization a party. The Republican party, born of the declaration that slavery is sectional and freedom national (applause), achieved its first success in 1860 with Abraham Lincoln. (Applause.) Secession, the war of the Union, you older men recollect it well. We have one of the survivors here. I was glad to see the convention give him the courtesies of the convention. He helped to make it possible that we should have this convention. (Applause.) Forty-four years ago, at about now, 1904, what a contrast! A divided country, a bankrupt treasury, no credit. The Republican party got power, and under its great leadership wrote revenue legislation upon the statute books and went back to the principles of Washington and Hamilton, and legislation that would produce revenue, while fixing duties upon imports was so adjusted as to encourage every American citizen to take part in the diversified industries and resources of the country.

### Our Great Factory Product.

Will you bear with me for five minutes while I speak of the comparison as it was then upon the one hand of facts and the



condition to-day. In 1860 we had been substantially dominated for many years by the free-trade party, insignificant in manufactures, great in agriculture. Under our policy, which has been followed, with the exception of four years, from that time to this the United States remains first in agriculture, but by leaps and bounds has diversified her industries until to-day we are the greatest manufacturing country on God's footstool. One-third of all the world's products that come from the factory are made in the United States by the operation and cooperation of American capital and American labor and skill. Let me make one other statement: Our product every year is greater than the entire combined manufactured product of Great Britain, of Germany, and of France. Where do we get the market for it? Ninety-seven per cent of this great product—one-third the world's product—finds a market among ourselves in the United States. And yet of this product last year we sold to foreign countries—I am speaking now of the manufactured product—over \$400,000,000—29 per cent of our total exports and our total exports made and make us the greatest exporting nation on earth. (Applause.)

Made? Made by labor? Yes. Made by labor that works less hours than any labor on earth. Made by labor that, conservatively stated, receives one dollar and three-quarters as against the average of the competitive labor in the world of one dollar. (Applause.) Oh, gentlemen, it is not a few rich men that make markets; nay, nay. It is the multiplied millions on the farm, in the mine, and in factory that work to-day and consume to-morrow, and with steady employment and good wage give us, with 80,000,000 people, a market equal to 200,000,000 of consuming people anywhere else on earth. The farmer buys the artisan's product. The artisan, being employed, buys the farmer's product. The wheels go round. You cannot strike one great branch of labor in the Republic without the blow reacting on all producers.

Well, are you satisfied with the comparison from the manufacturing standpoint? If not, let me give you another illustration that will perhaps go home to the minds of men more quickly than the illustration I have given. Take the Post-Office Department that reaches all of the people, and no man is compelled to pay one penny. It is voluntary taxation. From March, 1860, the year that Lincoln came into power, to March, 1861, in the twelve months the total revenue of the Post-Office Department in all the United States was \$8,500,000. Keep that in your minds—\$8,500,000. How much do you suppose it cost to run the department? Nineteen million. It took all the revenue and as much more and one-quarter as much more from the treasury to pay for that postal service. Why, gentlemen, the city post-office of Chicago last year collected more revenues by almost \$1,000,000 than was collected by the whole department in the United States in 1860. (Applause.)

How is it now? We have reduced postage over one-half since 1860 on the average. Last year the postal revenues were \$134,000,000 as against \$8,000,000 in 1860. Keep that in your minds—\$134,000,000. And the whole service cost only \$138,000,000. We had a deficit of \$4,000,000 (3 per cent), and we would not have had that deficit had it not been that, under the lead of the Republican party, looking out for the welfare of all the people and conducting the government from a business standpoint, under the lead of McKinley, followed by Roosevelt, there was established rural free delivery that cost \$10,000,000. (Applause.) Great heaven! The Republican party from 1860 until this moment moves on—does what good, common sense dictates, and the country grows to it.

#### **Protection and the Democrats.**

Well, now I will drop that department. The Republican is a national party and believes in diversification of our industries and the protection of American capital and American labor as against the cheaper labor elsewhere on earth. (Applause.) What do the other people believe in? For sixty years went out the cry of free trade throughout the world, free ships upon the sea; on other questions a tariff for revenue only. The free-trade party has always denounced the Republican policy of protection as robbery and whenever clothed with power, whatever its pretenses, it has thrust a dagger into the very heart of protection.

Oh, well, aren't they going to change? Let us see. Just before



the close of the last Congress, New York's eloquent son, Bourke Cockran, now a member of the House of Representatives, got the floor and he preached an old-fashioned Democratic sermon, free trade and all that kind of thing, and he did it well; and there came from the minority side of that House without exception such cheering and crying and hurraing and applauding as I never witnessed before in that House of Representatives, because at last they had the pure Democratic faith delivered to them.

They are trying to do what? Trying to convince the people that they ought to come into power, under the lead of Gorman of the Senate and Williams of the House. They have been trying to give the country dovers' powders. (Laughter.) "Oh," said a distinguished colleague, following the astute Senator Gorman, "If we come into power, while protection is robbery, we will say to you that we will journey in the direction of free trade, but we will not destroy your industries over night." Great God! think of it! They won't kill you outright, but they will starve you to death lay by day. (Laughter and applause.) They want to be put on guard to protect the people, who are dwelling in peace and prosperity under a Republican policy. It reminds of the fable of Aesop. You know he records in one of his fables that the wolves said to the sheep, "Discharge the dogs"—who were their natural protectors—"and employ us, and we will take care of you." (Laughter and applause.) Does the capital of this country and the labor of this country want to go under the care of wolf Gorman and wolf Williams and their fellows? I think not.

What a country this is! and, Republicans, we have got to outline the policy and lead the people in caring for it. Why, we are like the women; we not only have to take care of ourselves, but more, as one of our women said, we have to take care of the men. (Laughter and applause.) The Republican party not only has to care for itself, but has to care for the minority by a wise policy. How it has been doing it! We preserved the Union under the policy and leadership of this party. Do you recollect that the opposition party, on a demand for an armistice and negotiation and compromise, nominated McClellan in 1864 and moved heaven and earth to defeat Lincoln? Do you recollect when the constitutional amendments were submitted they said nay, nay, and then, after they were adopted, the Democrats came into power temporarily in Indiana and Ohio, they passed acts taking back the consent of the states? When the first battle was fought against greenback or fiat money, back in the '70s, out in the middle West, whatever they were on the Atlantic coast, they were fiatists in the West. From step to step through all these forty-four years here, if you measure time by advance, we have lived two centuries as compared with any other period of the world's history. They have pulled back, pulled back, and when we accomplish—and it is necessary to march forward and try to accomplish again—they move into our old quarters and squat down there and make a face and say, "You are going to send the country to hell." (Loud cheering and applause.)

#### McKinley and Roosevelt.

But we do not mind it. We move on. (Applause.) Why, gentlemen, why multiply words about ancient or recent conditions? Take the country under the administration of Grover Cleveland, and compare it with the country under the administration of William McKinley and under Theodore Roosevelt. (Applause.) A man will dwell on comparison for a moment and make a fair comparison, if he would not indorse the policies of the Republican party he would not believe one though he were raised from the dead. (Laughter.) McKinley! Roosevelt! the Dingley act that restored us economic prosperity! the gold standard act that settled for all time the matter of sound currency! the short, triumphant war with Spain! the Philippines and Porto Rico coming under our flag, and freedom to Cuba is a record that will stand the future second only to the record made by George Washington and Abraham Lincoln. (Applause.) Imported anarchy struck down our great President when paralytic strife had almost ceased; the world paused in wonder and indignation—not in fear, because as life went from our great President and our great President there was a young, active, honest,

courageous man standing by the bedside who, under the Constitution, was his successor, and he there said: "I am to be President, to carry out the policies of the Republican party, and I will journey in the footsteps of William McKinley and of Abraham Lincoln." (Applause.)

To your coming President great things have happened in the last three years. In the old world a single great policy in a generation is the exception. We have more than that in our progressive country. I have given you the great achievements under McKinley. Under his great successor we have had the consummation of freedom to Cuba, wrought out by superior statesmanship. Imperialism, talked about under McKinley, has disappeared with growing civil government and peace in the Philippines. Aye, it has disappeared from the face of the earth. Did I say from the face of the earth? I will stick to it, because the doctrinaire here and the doctrinaire there, whether in New York or in Boston, draws his toga about him, saying, "I am wiser than thou," and still, after this great question is settled by the conscience and the intelligence of all the people, cries, "Wolf, wolf!" Well, under the Constitution of the United States he has a right to. (Laughter.) Let them ask what is going to become of the Philippines? At last we have peace, at last we have growing civil government, and as our 80,000,000 in this twentieth century shall increase to 250,000,000, as we shall go out with production and commerce, in the fullness of time, that territory will be useful to the United States, whereas in the meantime we will be like a benediction to them. (Applause.)

The United States is great in production and wealth. How great in wealth? In 1850 \$300 in round numbers was the per capita wealth. In 1900 \$1,235 was the per capita wealth. In 1860 the wealth was measured by \$16,000,000,000; in 1900, \$94,000,000,000; now a hundred billions. Great Britain only has an aggregate of wealth of \$60,000,000,000, and she has been living and gathering it for the last 500 years, yet in a generation we sprang from \$16,000,000,000 to \$100,000,000,000. The world's wealth is \$400,000,000,000. The United States has one-fourth of it.

#### The Trusts.

But our friends, the enemy, some of them little politicians, vex the air, crying "trusts, trusts, trusts!" Oh, they come out strong with good lungs as trust-busters. Since 1890 have they ever done any busting? (Laughter.) Oh, no. There is no Jericho now, and if there was it would never happen again that people would march about the walls blowing rams' horns seven times until the walls fell down. That is what the Democrats are trying to do. Trusts? Yes. Great combinations of capital against public policy? Yes. But the Republican party, always true to the people and its traditions, made haste to provide under the Constitution legislation that would prohibit these combinations. The "do something party!" It slept under Cleveland. McKinley had the war with Spain and the restoration of prosperity, but that young, enthusiastic, true man took an oath to see to it that the laws were executed and has executed them. And in his opinion trusts are unlawful and should be dissolved. That is the difference between the Democrats and Roosevelt. One bursts by wind, the other bursts by law. (Laughter and applause.)

There is no country on earth that has so much wealth as our. Why, interest rates are cheapening and cheapening, until to-day the credit of the United States commands money at a premium at 2 per cent, which is 1 per cent lower than any nation on earth can command it.

Foreign combinations? But all the while these great wealth-seeking individuals, desiring favorable investments month by month and year by year, enterprising citizens desiring gain, found additional industries. Take the census of 1900. The figures are correctly tabulated and made according to the facts, and the census of 1900 shows that from the establishments of the so-called trusts in the United States only 14 per cent of the factory product came, whereas 86 per cent of the factory product came from the competitor individuals and small ownerships.

And it is bound to be that way if you will stop and think. There are 80,000,000 of our people. If some man conceives



idea that when he dies wisdom will have departed, and that he can corner the air and the water and the sunlight, he will find 80,000-100 of people who make our civilization that will not only make a law and put it into force, but by competition and enterprise will swear that the admitted declaration of the enemy is a falsehood. Can you prove it? Yes. Just a minute. In the last two years the wind and the water that came from overcapitalization in forming the so-called trusts have been squeezed out, and there are people who make "mouth bets" about the price of watered companies and companies that have gas on top of the water, made by the printing-press certificates. Oh, they stand around and say, "Why, there is the most extraordinary shrinkage in values that was ever known." "How much?" "Oh, a good many hundreds of millions; the Wall Street Journal says over a billion, 600 million." (Laughter and applause.)

And yet every dollar of property, every particle of property that was represented by this overcapitalization two years ago is set with us. (Laughter and applause.) Now, all the fools that bet it to go down and the fools that bet it to go up can fight it out. It doesn't make one particle of difference to the 80 millions of people who live on the sweat of their faces and do a legitimate business. (Applause.) Oh, gentlemen, the law, public opinion, public sentiment, the desire for good investments, dollar for dollar in the factory where a dollar costs 100 cents, goes into competition against the factory that costs a hundred cents and is burdened with another hundred cents common and another hundred cents gas and another hundred cents moonshine. Work it out, it is all right. (Laughter and applause.)

#### Strikes.

"Oh, but," says our enemy, "my goodness, look at the strikes you are having in this country!" That is their strong suit—strikes! Strikes! (Laughter and applause.) Now, what is a strike? The strike is an effort by the employer and the employee to agree how the profit should be divided. If the employee doesn't get as much as he thinks he ought to get after arbitration has been tried, he strikes. A quarrel about something. The division of something. Well, then, it is absolutely necessary to have a strike that there should be a profit. Great God! how many strikes were there under Cleveland, when the Democrats had the running of things? (Laughter and applause.) When money became scarce the profits were scarce. There is the whole story.

Oh, but outrageous things are done by the employer when he oppresses the laborer, and outrageous things are done by some laborers when they go on a strike. Yes, outrageous things are done in some of our best-governed churches and amongst those who do not belong to any church. Once in a while a citizen commits larceny. Once in a while a man commits arson. Once in a while a man is guilty of homicide. Why, the law is made to protect society against the man who will not obey the law and who makes war on his neighbors. Yes, there is lawbreaking and disorder—lawbreaking in the formation of trusts, lawbreaking at times in the organization of labor when it goes on strike. But the great body of the American people that own the wealth are not for the trusts, and the great body of labor, honest men who live by the sweat of their faces, are not for lawbreaking in the strikes. (Applause.) The law, the sheet anchor of civilization, is strong enough to pull down the strongest, strong enough to curb the wicked and the vicious, strong enough, like the grace of God, to throw its arms about the weak and the poorest and bring him under its protection. (Applause.) All must obey under Theodore Roosevelt as the national representative of the law. (Applause.) He is and will continue to be, without favor or affection, the representative of law, supreme and universal in our borders.

#### Party Should Have Full Power.

A few words more, and I will conclude. Our Government is of the people. It is divided into co-ordinate branches. The judges of the United States courts, who hold office for life or during good behavior; the Executive; the Congress, which consists of two co-ordinate branches—the House and the Senate—great legis-



lative bodies; they could not be otherwise, born as they are of 80,000,000 of people who are competent for self-government. (Applause.) In the Senate the tenure is for six years. The great popular body, near to the people, that reflects the sentiment of the people, is chosen every two years. Now, then, you know, under our form of government, the party in power is held responsible. The function of the minority is to put it on good behavior by being ever ready to appeal to the people.

Let me tell you something. If our government has a fault, it is, after an election one party is placed in power—only one leg. It may have the Senate. It may have the Presidency. It may have the House. It goes along on crutches. Yet you want to hold it responsible for public sentiment. If I had the power I would so change our constitution that at every quadrennial election the party that received the popular approval should go fully into power and let the public have a government according to the sentiment expressed at the ballot-box. (Applause.) But we have not got it arranged quite that way. What is the next best thing? You like Theodore Roosevelt? Yes. Stronger than his party, he will be triumphantly elected. Do you like the Senate of the United States? Yes. Its condition cannot be changed in November. It could be changed at the end of four years, electing a third every two years. You like the electoral colleges of the great political party. 386 strong, coming with the warrants of attorney from the people to cast their votes for your candidates, if you approve of them, if you approve of the Republican policies. You are short-sighted if you refuse a working majority in the House of Representatives, because you cannot keep a Republican House without it.

I am done. I have already detained you longer than I expected. In conclusion, let me again say that we are proud of the president, we are proud of the future. The 20th century is to bring more of good or evil to the human race than the 19th century brought. Under what party banner will you enlist? Under that of the re-actionist? Under that of the people who sit still or tear down? Or will you take service with the party of Lincoln and Grant and Garfield and Harrison and McKinley and Roosevelt? (cheers and applause) and help us march on to victory.

Speaking to the living in the presence of the dead, we have tears for them and admiration for the great things that they accomplished, but the glory of our race, of our civilization, is that each generation works out its own salvation and marches forward to success and the betterment of the condition of mankind, and, as they drop into the grave, their successors move on to the stage of action, holding fast all that the past has given us and going in turn a generation's march further on for the benefit of the race and of civilization. (Applause.)

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**So long as the Republican party is in power the gold standard is settled.—From President Roosevelt's speech of acceptance.**

**The American people hold the financial honor of our Government as sacred as our flag, and can be relied upon to guard it with the same sleepless vigilance.—Maj. McKinley to the Notification Committee, 1896.**

**So long as the Republican party is in power the gold standard is settled, not as a matter of temporary political expediency, not because of shifting conditions in the production of gold in certain mining centers, but in accordance with what we regard as the fundamental principles of national morality and wisdom.—President Roosevelt's speech accepting 1904 nomination.**

**Above all, the administration of the government, the enforcement of the laws, must be fair and honest. The laws are not to be administered either in the interest of the poor man or the interest of the rich man. They are simply to be administered justly—in the interest of justice to each man, be he rich or be he poor—giving immunity to no violator, whatever form the violation may assume. Such is the obligation which every public servant takes, and to it he must be true under penalty of forfeiting the respect both of himself and of his fellows.—President Roosevelt at Charleston, S. C., April 9, 1902.**

# PLATFORM OF THE REPUBLICAN PARTY, 1904.

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**Adopted by National Convention at Chicago June 22, 1904.**

Fifty years ago the Republican party came into existence dedicated among other purposes to the great task of arresting the extension of human slavery. In 1860 it elected its first President. During 24 of the 44 years which have elapsed since the election of Lincoln the Republican party has held complete control of the government. For 18 more of the 44 years it has held partial control through the possession of one or two branches of the government, while the Democratic party during the same period has had complete control for only two years. This long tenure of power by the Republican party is not due to chance. It is a demonstration that the Republican party has commanded the confidence of the American people for nearly two generations to a degree never equaled in our history, and has displayed a high capacity for rule and government which has been made even more conspicuous by the incapacity and infirmity of purpose shown by its opponents.

## **Conditions in 1897.**

The Republican party entered upon its present period of complete supremacy in 1897. We have every right to congratulate ourselves upon the work since then accomplished, for it has added luster even to the traditions of the party which carried the government through the storms of civil war.

We then found the country after four years of Democratic rule in evil plight, oppressed with misfortune and doubtful of the future. Public credit had been lowered, the revenues were declining, the debt was growing, the administration's attitude toward Spain was feeble and mortifying, the standard of values was threatened and uncertain, labor was unemployed, business was sunk in the depression which had succeeded the panic of 1893, hope was faint and confidence was gone.

We met these unhappy conditions vigorously, effectively, and at once.

## **The Tariff Law.**

We replaced a Democratic tariff law based on free trade principles and garnished with sectional protection by a consistent protective tariff, and industry, freed from oppression and stimulated by the encouragement of wise laws, has expanded to a degree never before known, has conquered new markets, and has created a volume of exports which has surpassed imagination. Under the Dingley tariff labor has been fully employed, wages have risen, and all industries have revived and prospered.

We firmly established the gold standard which was then menaced with destruction. Confidence returned to business, and with confidence an unexampled prosperity.

## **Revenues.**

For deficient revenues, supplemented by improvident issues of bonds, we gave the country an income which produced a large surplus and which enabled us only four years after the Spanish war had closed to remove over \$100,000,000 of annual war taxes, reduce the public debt, and lower the interest charges of the government.

## **The Public Credit Restored.**

The public credit, which had been so lowered that in time of peace a Democratic administration made large loans at extravagant rates of interest in order to pay current expenditures, rose under Republican administration to its highest point and enabled us to borrow at 2 per cent even in time of war.

## **Cuba.**

We refused to palter longer with the miseries of Cuba. We fought a quick and victorious war with Spain. We set Cuba free, governed the island for three years, and then gave it to the

Cuban people with order restored, with ample revenues, with education and public health established, free from debt, and connected with the United States by wise provisions for our mutual interests.

#### **Porto Rico.**

We have organized the government of Porto Rico, and its people now enjoy peace, freedom, order, and prosperity.

#### **The Philippines.**

In the Philippines we have suppressed insurrection, established order, and given to life and property a security never known there before. We have organized civil government, made it effective and strong in administration, and have conferred upon the people of those islands the largest civil liberty they have ever enjoyed.

By our possession of the Philippines we were enabled to take prompt and effective action in the relief of the legations at Peking and a decisive part in preventing the partition and preserving the integrity of China.

#### **The Isthmian Canal.**

The possession of a route for an isthmian canal, so long the dream of American statesmanship, is now an accomplished fact. The great work of connecting the Pacific and Atlantic by a canal is at last begun, and it is due to the Republican party.

#### **The Arid Lands.**

We have passed the laws which will bring the arid lands of the United States within the area of cultivation.

#### **The Army and Navy.**

We have reorganized the army and put it in the highest state of efficiency.

We have passed laws for the improvement and support of the militia.

We have pushed forward the building of the navy, the defense and protection of our honor and our interests.

Our administration of the great departments of the government has been honest and efficient, and wherever wrongdoing has been discovered the Republican administration has not hesitated to probe the evil and bring offenders to justice without regard to party or political ties.

#### **The Great Corporations.**

Laws enacted by the Republican party which the Democratic party failed to enforce and which were intended for the protection of the public against the unjust discrimination or the illegal encroachment of vast aggregations of capital, have been fearlessly enforced by a Republican President and new laws insuring reasonable publicity as to the operations of great corporations, and providing additional remedies for the prevention of discrimination in freight rates, have been passed by a Republican Congress.

In this record of achievement during the past eight years may be read the pledges which the Republican party has fulfilled. We promise to continue these policies, and we declare our constant adherence to the following principles:

#### **Protection to American Industries.**

Protection which guards and develops our industries, is a cardinal policy of the Republican party. The measure of protection should always at least equal the difference in the cost of production at home and abroad. We insist upon the maintenance of the principle of protection, and, therefore, rates of duty should be readjusted only when conditions have so changed that the public interest demands their alteration, but this work cannot safely be committed to any other hands than those of the Republican party. To intrust it to the Democratic party is to invite disaster. Whether, as in 1892, the Democratic party declares the protective tariff unconstitutional, or whether it demands tariff reform or tariff revision, its real object is always the destruction of the protective system. However specious the name the purpose is ever the same. A Democratic tariff has always been followed by business adversity; a Republican tariff by business prosperity. To a Republican Congress and a Republican



President this great question can be safely intrusted. When the only free trade country among the great nations agitates a return to protection the chief protective country should not falter in maintaining it.

#### **Foreign Markets Extended.**

We have extended widely our foreign markets, and we believe in the adoption of all practicable methods for their further extension, including commercial reciprocity wherever reciprocal arrangements can be effected consistent with the principles of protection and without injury to American agriculture, American labor, or any American industry.

#### **The Gold Standard.**

We believe it to be the duty of the Republican party to uphold the gold standard and the integrity and value of our national currency. The maintenance of the gold standard, established by the Republican party, cannot safely be committed to the Democratic party, which resisted its adoption and has never given any proof since that time of belief in it or fidelity to it.

#### **American Shipping.**

While every other industry has prospered under the fostering aid of Republican legislation, American shipping engaged in foreign trade in competition with the low cost of construction, low wages, and heavy subsidies of foreign governments, has not for many years received from the government of the United States adequate encouragement of any kind. We therefore favor legislation which will encourage and build up the American merchant marine, and we cordially approve the legislation of the last Congress which created the Merchant Marine Commission to investigate and report upon this subject.

A navy powerful enough to defend the United States against any attack, to uphold the Monroe doctrine, and watch over our commerce, is essential for the safety and the welfare of the American people. To maintain such a navy is the fixed policy of the Republican party.

#### **Chinese Labor.**

We cordially approve the attitude of President Roosevelt and Congress in regard to the exclusion of Chinese labor, and promise continuance of the Republican policy in that direction.

#### **Civil Service.**

The civil-service law was placed on the statute books by the Republican party, which has always sustained it, and we renew our former declarations that it shall be thoroughly and honestly enforced.

#### **The Soldiers and Sailors.**

We are always mindful of the country's debt to the soldiers and sailors of the United States, and we believe in making ample provision for them and in the liberal administration of the pension laws.

#### **Arbitration.**

We favor the peaceful settlement of international differences by arbitration.

#### **Protection of Citizens Abroad.**

We commend the vigorous efforts made by the administration to protect American citizens in foreign lands, and pledge ourselves to insist upon the just and equal protection of all our citizens abroad. It is the unquestioned duty of the government to procure for all our citizens, without distinction, the rights of travel and sojourn in friendly countries, and we declare ourselves in favor of all proper efforts tending to that end.

#### **The Orient.**

Our great interests and our growing commerce in the Orient under the condition of China of high importance to the United States. We cordially commend the policy pursued in that direction by the administrations of President McKinley and President Roosevelt.

#### **The Elective Franchise.**

We favor such Congressional action as shall determine whether special discriminations the elective franchise in any State has

been unconstitutionally limited, and, if such is the case, we demand that representation in Congress and in the electoral colleges shall be proportionally reduced as directed by the Constitution of the United States.

### **Combinations of Capital and of Labor.**

Combinations of capital and of labor are the results of the economic movement of the age, but neither must be permitted to infringe upon the rights and interests of the people. Such combinations, when lawfully formed for lawful purposes, are alike entitled to the protection of the laws, but both are subject to the laws and neither can be permitted to break them.

### **Our Lamented President.**

The great statesman and patriotic American, William McKinley, who was re-elected by the Republican party to the Presidency four years ago, was assassinated just at the threshold of his second term. The entire nation mourned his untimely death and did that justice to his great qualities of mind and character which history will confirm and repeat.

### **President Roosevelt.**

The American people were fortunate in his successor, to whom they turned with a trust and confidence which have been fully justified. President Roosevelt brought to the great responsibilities thus sadly forced upon him a clear head, a brave heart, an earnest patriotism, and high ideals of public duty and public service. True to the principles of the Republican party and to the policies which that party had declared, he has also shown himself ready for every emergency and has met new and vital questions with ability and with success.

The confidence of the people in his justice, inspired by his public career, enabled him to render personally an inestimable service to the country by bringing about a settlement of the coal strike, which threatened such disastrous results at the opening of winter in 1902.

Our foreign policy under his administration has not only been able, vigorous, and dignified, but in the highest degree successful.

The complicated questions which arose in Venezuela were settled in such a way by President Roosevelt that the Monroe doctrine was signally vindicated and the cause of peace and arbitration greatly advanced.

His prompt and vigorous action in Panama, which we commend in the highest terms, not only secured to us the canal route, but avoided foreign complications which might have been of a very serious character.

He has continued the policy of President McKinley in the Orient, and our position in China, signalized by our recent commercial treaty with that empire, has never been so high.

He secured the tribunal by which the vexed and perilous question of the Alaskan boundary was finally settled.

Whenever crimes against humanity have been perpetrated which have shocked our people, his protest has been made, and our good offices have been tendered, but always with due regard to international obligations.

Under his guidance we find ourselves at peace with all the world, and never were we more respected or our wishes more regarded by foreign nations.

Pre-eminently successful in regard to our foreign relations, he has been equally fortunate in dealing with domestic questions. The country has known that the public credit and the national currency were absolutely safe in the hands of his administration. In the enforcement of the laws he has shown not only courage but the wisdom which understands that to permit laws to be violated or disregarded opens the door to anarchy, while the enforcement of the law is the soundest conservatism. He has held firmly to the fundamental American doctrine that all men must obey the law; that there must be no distinction between rich and poor, between strong and weak, but that justice and equal protection under the law must be secured to every citizen without regard to race, creed, or condition.

His administration has been throughout vigorous and honorable, high-minded and patriotic. We commend it without reservation to the considerate judgment of the American people.

# PLATFORM OF THE DEMOCRATIC PARTY

## 1904.

The Democratic party of the United States, in national convention assembled, declares its devotion to the essential principles of the Democratic faith which bring us together in party communion.

Under these principles, local self-government and national unity and prosperity were alike established. They underlaid our independence, the structure of our free republic, and every Democratic expansion from Louisiana to California, and Texas to Oregon, which preserved faithfully in all the States the tie between taxation and representation. They yet inspirit the masses of our people, guarding jealously their rights and liberties, and cherishing their fraternity, peace, and orderly development. They remind us of our duties and responsibilities as citizens, and impress upon us, particularly at this time, the necessity of reform and the rescue of the administration of government from the headstrong, arbitrary, and spasmodic methods which distract business by uncertainty, and pervade the public mind with dread, distrust, and perturbation.

### Fundamental Principles.

The application of these fundamental principles to the living issues of the day constitutes the first step toward the assured peace, safety, and progress of our nation. Freedom of the press, of conscience, and of speech; equality before the law of all citizens; right of trial by jury; freedom of the person defended by the writ of habeas corpus; liberty of personal contract untrammelled by sumptuary laws; supremacy of the civil over military authority; a well disciplined militia; the separation of church and state; economy in expenditures; low taxes, that labor may be lightly burdened; prompt and sacred fulfillment of public and private obligations; fidelity to treaties; peace and friendship with all nations; entangling alliances with none; absolute acquiescence in the will of the majority, the vital principle of republics—these are doctrines which Democracy has established as proverbs of the nation, and they should be constantly invoked and enforced.

### Economy of Administration.

Large reductions can easily be made in the annual expenditures of the government without impairing the efficiency of any branch of the public service, and we shall insist upon the strictest economy and frugality compatible with vigorous and efficient civil, military, and naval administration as a right of the people too clear to be denied or withheld.

### Honesty in the Public Service.

We favor the enforcement of honesty in the public service, and to that end a thorough legislative investigation of those executive departments of the government already known to teem with corruption, as well as other departments suspected of harboring corruption, and the punishment of ascertained corruptionists without fear or favor or regard to persons. The persistent and deliberate refusal of both the Senate and House of Representatives to permit such investigation to be made demonstrates that only by a change in the executive and in the legislative departments can complete exposure, punishment, and correction be obtained.

### Federal Government Contract with Trusts.

We condemn the action of the Republican party in Congress in refusing to prohibit an executive department from entering into contracts with convicted trusts or unlawful combinations in restraint of interstate trade. We believe that one of the best methods of procuring economy and honesty in the public service is to have public officials, from the occupant of the White House down to the lowest of them, returned as nearly as may be, to Jeffersonian simplicity of living.

### Executive Usurpation.

We favor the nomination and election of a President imbued with the principles of the Constitution who will set his



face sternly against Executive usurpation of legislative and judicial functions, whether that usurpation be veiled under the guise of Executive construction of existing laws, or whether it take refuge in the tyrant's pleas of necessity, or superior wisdom.

#### **Imperialism.**

We favor the preservation, so far as we can, of an open door for the world's commerce in the Orient, without an unnecessary entanglement in Oriental and European affairs and without arbitrary, unlimited, irresponsible, and absolute government anywhere within our jurisdiction. We oppose, as fervently as did George Washington, an indefinite, irresponsible, discretionary and vague absolutism and a policy of colonial exploitation, no matter where or by whom invoked or exercised; we believe with Thomas Jefferson and John Adams, that no government has a right to make one set of laws for those "at home," and another and a different set of laws, absolute in their character, for those "in the colonies." All men under the American flag are entitled to the protection of the institutions whose emblem the flag is; if they are inherently unfit for those institutions then they are inherently unfit to be members of the American body politic. Wherever there may exist a people incapable of being governed under American laws, in consonance with the American constitution, the territory of that people ought not to be part of the American domain.

We insist that we ought to do for the Filipinos what we have done already for the Cubans, and it is our duty to make that promise now and upon suitable guarantees of protection to citizens of our own and other countries resident there at the time of our withdrawal, set the Filipino people upon their feet, free and independent to work out their own destiny.

The endeavor of the Secretary of War, by pledging the government's indorsement for "promoters" in the Philippine Islands to make the United States a partner in the speculative exploitation of the archipelago, which was only temporarily held up by the opposition of the Democratic Senators in the last session, will, if successful, lead to entanglements from which it will be difficult to escape.

#### **Tariff.**

The Democratic party has been, and will continue to be, the consistent opponent of that class of tariff legislation by which certain interests have been permitted, through Congressional favor, to draw a heavy tribute from the American people. This monstrous perversion of those equal opportunities which our political institutions were established to secure has caused what may once have been infant industries to become the greatest combinations of capital that the world has ever known. These especial favorites of the government have, through trust methods, been converted into monopolies, thus bringing to an end domestic competition, which was the only alleged check upon the extravagant profits made possible by the protective system. These industrial combinations, by the financial assistance they can give, now control the policy of the Republican party.

We denounce protectionism as a robbery of the many to enrich the few, and we favor a tariff limited to the needs of the government, economically, effectively, and constitutionally administered, and so levied as not to discriminate against any industry, class, or section, to the end that the burdens of taxation shall be distributed as equally as possible.

We favor a revision and a gradual reduction of the tariff by the friends of the masses and for the common weal, and not by the friends of its abuses, its extortions, and its discriminations keeping in view the ultimate end of "equality of burdens and equality of opportunities" and the constitutional purpose of raising a revenue by taxation, to wit, the support of the Federal government in all its integrity and virility, but in simplicity.

#### **Trusts and Unlawful Combinations.**

We recognize that the gigantic trusts and combinations designed to enable capital to secure more than its just share of the joint products of capital and labor, and which have been fostered and promoted under Republican rule, are a menace to beneficial competition and an obstacle to permanent business prosperity. A private monopoly is indefensible and intolerable.

Individual equality of opportunity and free competition are essential to a healthy and permanent commercial prosperity and any trust, combination, or monopoly tending to destroy these by controlling production, restricting competition, or fixing prices and wages should be prohibited and punished by law. We especially denounce rebates and discrimination by transportation companies as the most potent agency in promoting and strengthening these unlawful conspiracies against trade.

We demand an enlargement of the powers of the Interstate Commerce Commission, to the end that the traveling public and shippers of this country may have prompt and adequate relief from the abuses to which they are subjected in the matter of transportation. We demand a strict enforcement of existing civil and criminal statutes against all such trusts, combinations, and monopolies; and we demand the enactment of such further legislation as may be necessary to effectually suppress them.

Any trust or unlawful combination engaged in interstate commerce which is monopolizing any branch of business or production should not be permitted to transact business outside of the State of its origin. Whenever it shall be established in any court of competent jurisdiction that such monopolization exists, such prohibition should be enforced through comprehensive laws to be enacted on the subject.

#### **Capital and Labor.**

We favor enactment and administration of laws giving labor and capital impartially their just rights. Capital and labor ought not to be enemies. Each is necessary to the other. Each has its rights, but the rights of labor are certainly no less "vested," no less "sacred," and no less "inalienable" than the rights of capital.

We favor arbitration of differences between corporate employers and their employees, and a strict enforcement of the eight-hour law on all government work.

We approve the measure, which passed the United States Senate in 1896, but which a Republican Congress has ever since refused to enact, relating to contempts in Federal courts, and providing for trial by jury in cases of indirect contempt.

#### **Constitutional Guaranties.**

Constitutional guaranties are violated whenever any citizen is denied the right to labor, acquire and enjoy property, or reside where interests or inclination may determine. Any denial thereof by individuals, organizations, or governments should be summarily rebuked and punished.

We deny the right of any Executive to disregard or suspend any constitutional privilege or limitation. Obedience to the laws and respect for their requirements are alike the supreme duty of the citizen and the official.

The military should be used only to support and maintain the law. We unqualifiedly condemn its employment for the summary banishment of citizens without trial at or for the control of elections.

#### **Waterways.**

We favor liberal appropriations for the care and improvement of the waterways of the country. When any waterway, like the Mississippi River, is of sufficient importance to demand special aid of the government, such aid should be extended with a definite plan of continuous work until permanent improvement is secured.

We oppose the Republican policy of starving home development in order to feed the greed for conquest and the appetite for national "prestige" and display of strength.

#### **Reclamation of Arid Lands and Domestic Development.**

We congratulate our Western citizens upon the passing of the measure known as the new lands irrigation act for the irrigation and reclamation of the arid lands of the West; a measure framed by a Democrat, passed in the Senate by a non-partisan vote, and passed in the House against the opposition of almost all the Republican leaders by a vote the majority of which was Democratic.

We call attention to this great Democratic measure, broad and comprehensive as it is, working automatically throughout all time without further action of Congress, until the reclamation of all the lands in the arid West capable of reclamation



is accomplished, reserving the lands reclaimed for homeseekers in small tracts, and rigidly guarding against land monopoly, as an evidence of the policy of domestic development contemplated by the Democratic party, should it be placed in power.

#### **Isthmian Canal.**

The Democracy, when intrusted with power, will construct the Panama Canal speedily, honestly, and economically, thereby giving to our people what Democrats have always contended for—a great inter-oceanic canal, furnishing shorter and cheaper lines of transportation, and broader and less trammelled trade relations with the other peoples of the world.

#### **American Citizenship.**

We pledge ourselves to insist upon the just and lawful protection of our citizens at home and abroad, and to use all proper measures to secure for them, whether native born or naturalized, and without distinction of race or creed, the equal protection of laws and the enjoyment of all rights and privileges open to them under the covenants of our treaties of friendship and commerce; and if under existing treaties the right of travel and sojourn is denied to American citizens or recognition is withheld from American passports by any countries on the ground of race or creed, we favor the beginning of negotiations with the government of such countries to secure by new treaties the removal of these unjust discriminations.

We demand that all over the world a duly authenticated passport issued by the government of the United States to an American citizen shall be proof of the fact that he is an American citizen and shall entitle him to the treatment due him as such.

#### **Election of Senators by the People.**

We favor the election of United States Senators by the direct vote of the people.

#### **Statehood for Territories.**

We favor the admission of the Territories of Oklahoma and Indian Territory. We also favor the immediate admission of Arizona and New Mexico as separate States and a Territorial government for Alaska and Porto Rico.

We hold that the officials appointed to administer the government of any Territory, as well as with the district of Alaska, should be bona fide residents at the time of their appointment of the Territory or district in which their duties are to be performed.

#### **Condemnation of Polygamy.**

We demand the extermination of polygamy within the jurisdiction of the United States and the complete separation of church and state in political affairs.

#### **Merchant Marine.**

We denounce the ship subsidy bill recently passed by the United States Senate as an iniquitous appropriation of public funds for private purposes, and a wasteful, illogical, and useless attempt to overcome by subsidy the obstructions raised by Republican legislation to the growth and development of American commerce on the sea.

We favor the upbuilding of a merchant marine without new or additional burdens upon the people and without bounties from the public Treasury.

#### **Reciprocity.**

We favor liberal trade arrangements with Canada and with peoples of other countries where they can be entered into with benefit to American agriculture, manufactures, mining, or commerce.

#### **Monroe Doctrine.**

We favor the maintenance of the Monroe doctrine in its full integrity.

#### **Army.**

We favor the reduction of the army and of army expenditures to the point historically demonstrated to be safe and sufficient.

#### **Pensions for Our Soldiers and Sailors.**

The Democracy would secure to the surviving soldiers and sailors and their dependents generous pensions, not by an arbitrary Executive order, but by legislation, which a grateful people stand ready to enact.



Our soldiers and sailors who defend with their lives the Constitution and the laws have a sacred interest in their just administration. They must, therefore, share with us the humiliation with which we have witnessed the exaltation of court favorites, without distinguished service, over the scarred heroes of many battles; or aggrandizement by Executive appropriations out of the treasuries of prostrate peoples in violation of the act of Congress which fixed the compensation of allowances of the military officers.

#### **Civil Service.**

The Democratic party stands committed to the principle of civil service reform, and we demand its honest, just, and impartial enforcement.

We denounce the Republican party for its continuous and sinister encroachments upon the spirit and operation of civil-service rules, whereby it has arbitrarily dispensed with examinations for office in the interests of favorites and employed all manner of devices to overreach and set aside the principles upon which the civil service was based.

#### **Sectional and Race Agitation.**

The race question has brought countless woes to this country. The calm wisdom of the American people should see to it that it brings no more.

To revive the dead and hateful race and sectional animosities in any part of our common country means confusion, distraction of business, and the reopening of wounds now happily healed. North, South, East, and West have but recently stood together in line of battle from the walls of Peking to the hills of Santiago, and as sharers of a common glory and a common destiny we should share fraternally the common burdens.

We therefore deprecate and condemn the Bourbon-like, selfish, and narrow spirit of the recent Republican convention at Chicago, which sought to kindle anew the embers of racial and sectional strife, and we appeal from it to the sober, common sense and patriotic spirit of the American people.

#### **The Republican Administration.**

The existing Republican administration has been spasmodic, erratic, sensational, spectacular, and arbitrary. It has made itself a satire upon the Congress, courts, and upon the settled practices and usages of national and international law.

It summoned the Congress in hasty and futile extra session, and virtually adjourned it, leaving behind its flight from Washington uncalled calendars and unaccomplished tasks.

It made war, which is the sole power of Congress, without its authority, thereby usurping one of its fundamental prerogatives. It violated a plain statute of the United States as well as plain treaty obligations, international usages and constitutional law; and has done so under pretense of executing a great public policy which could have been more easily effected lawfully, constitutionally, and with honor.

It forced strained and unnatural constructions upon statutes, usurping judicial interpretation, and substituting for Congressional enactment Executive decree.

It withdrew from the Congress its customary duties of investigation, which have heretofore made the representatives of the people and the States the terror of evil doers.

It conducted a secretive investigation of its own, and boasting of a few sample convicts, it threw a broad coverlet over the bureaus which had been their chosen field of operative abuses and kept in power the superior officers under whose administration the crimes had been committed.

It ordered assault upon some monopolies, but, paralyzed by its first victory, it flung out the flag of truce and cried out that it would not "run amuck"—leaving its future purposes beclouded by its vacillations.

#### **Appeal to the People.**

Conducting the campaign upon this declaration of our principles and purposes, we invoke for our candidates the support not only of our great and time-honored organization, but also the active assistance of all of our fellow-citizens, who, disregarding past differences, desire the perpetuation of our constitutional government, as framed and established by the fathers of the Republic.

# PLATFORM OF THE PEOPLES' PARTY.

**Platform of the People's Party 1904, Adopted in National Convention at Springfield, Ill. July 4, 1904.**

[Republished from Lincoln (Neb.) Independent.]

The People's party reaffirms its adherence to the basic truths of the Omaha platform of 1892, and of the subsequent platforms of 1896 and 1900. In session in its fourth national convention on July 4, 1904, in the city of Springfield, Ill., it draws inspiration from the day that saw the birth of the nation, as well as its own birth as a party, and also from the soul of him who lived at its present place of meeting.

We renew our allegiance to the old-fashioned American spirit that gave this nation existence, and made it distinctive among the peoples of the earth. We again sound the keynote of the Declaration of Independence, that all men are created equal in a political sense, which is the sense in which that instrument, being a political document, intended that the utterance should be understood. We assert that the departure from this fundamental truth is responsible for the ills from which we suffer as a nation; that the giving of special privileges to the few has enabled them to dominate the many, thereby tending to destroy the political equality which is the cornerstone of democratic government.

We call for a return to the truths of the fathers, and we vigorously protest against the spirit of mammonism and of thinly-veiled monarchy, that is invading certain sections of our national life, and of the very administration itself. This is a nation of peace, and we deplore the appeal to the spirit of force and militarism which is shown in ill-advised and vainglorious boasting and, in more harmful ways, in the denial of the rights of man under martial law.

A political democracy and an industrial despotism cannot exist side by side; and nowhere is this truth more plainly shown than in the gigantic monopolies which have bred all sorts of kindred trusts, subverted the governments of many of the States, and established their official agents in the national government. We submit that it is better for the government to own the railroads than for the railroads to own the government; and that one or the other alternative seems inevitable.

We call the attention of our fellow citizens to the fact that the surrender of both of the old parties to corporate influences leaves the People's party the only party of reform in the nation.

Therefore, we submit the following platform of principles to the American people:

The issuing of money is a function of government, and should never be delegated to corporations or individuals. The constitution gives to Congress alone power to coin money and regulate its value.

We demand, therefore, that all money shall be issued by the Government in such quantity as shall maintain stability in prices, every dollar to be a full legal tender, none of which shall be a debt redeemable in other money.

We demand that postal savings banks be established by the Government for the safe deposit of the savings of the people.

We believe in the right of labor to organize for the benefit and protection of those who toil; and pledge the efforts of the People's party to preserve this right inviolate. Capital is organized and has no right to deny to labor the privilege which it claims for itself. We feel that intelligent organization of labor is essential; that it raises the standard of workmanship, and promotes the efficiency, intelligence, independence and character of the wage-earner. We believe with Abraham Lincoln that labor is prior to capital, and is not its slave, but its companion; and we plead for that broad spirit of toleration and justice which will



promote industrial peace through the observance of the principles of voluntary arbitration.

We favor the enactment of legislation looking to the improvement of conditions for wage-earners, the abolition of child labor, the suppression of sweat shops and of convict labor, in competition with free labor, and the exclusion from American shores of foreign pauper labor.

We favor the shorter work day, and declare that if eight hours constitutes a day's labor in government service, that eight hours should constitute a day's labor in factories, work shops and mines.

As a means of placing all public questions directly under the control of the people, we demand that legal provision be made under which the people may exercise the initiative, referendum and proportional representation, and direct vote for all public officers, with the right of recall.

Land, including all the natural sources of wealth, is a heritage of all the people, and should not be monopolized for speculative purposes; and alien ownership of land should be prohibited.

We demand a return to the original interpretation of the constitution and a fair and impartial enforcement of laws under it; and denounce government by injunction and imprisonment without the right of trial by jury.

To prevent unjust discrimination and monopoly, the Government should own and control the railroads; and those public utilities, which in their nature are monopolies. To perfect the postal service, the Government should own and operate the general telegraph and telephone systems, and provide a parcels post.

As to those trusts and monopolies which are not public utilities or natural monopolies, we demand that those special privileges which they now enjoy, and which alone enable them to exist, should be immediately withdrawn. Corporations being the creatures of government should be subjected to such governmental regulations and control as will adequately protect the public. We demand the taxation of monopoly privileges, while they remain in private hands, to the extent of the value of the privileges granted.

We demand that Congress shall enact a general law uniformly regulating the power and duties of all incorporated companies doing interstate business.

Changes in tariff schedules can with safety be made only by those whose devotion to the principle of protection is beyond question.—From President Roosevelt's speech of acceptance.

The poorest motto upon which an American can act is the motto of "Some men down" and the safest to follow is that of "All men up."—Vice-President Roosevelt at opening of Pan-American Exposition, May 20, 1901.

Protection furnishes an opportunity for every person to find the employment best adapted to his or her genius and capacity that will secure the largest income or the greatest happiness.—Hon. J. S. Morrill, in the American Economist.

We are no more against organizations of capital than against organizations of labor. We welcome both, demanding only that each shall do right and shall remember its duty to the Republic.—President Roosevelt at Milwaukee, Wis., April 3, 1903.

We do not have to avoid a definite and conclusive committal on the most important issues which has recently been before the people, and which may at any time in the near future be before them again.—President Roosevelt's speech accepting 1904 nomination.

Reciprocity must be treated as the handmaiden of protection. Our first duty is to see that the protection granted by the tariff in every case where it is needed is maintained, and that reciprocity be sought for so far as it can safely be done without injury to our home industries.—President Roosevelt's Annual Message, Fifty-seventh Congress, first session.



## The Democratic Platform and Candidate.

**An Analysis of the Platform—The St. Louis-Esopus Episode—The Rejected Gold Plank—The Silver Planks, which remain the Party's Latest Expression on the Money Question—Judge Parker's Utterances and Record on the Currency Issue—Record of the Democratic Party on the Currency Question—The Vote on the Gold Standard Act of 1900.**

### A Discussion of the Democratic Platform of 1904.

The very remarkable performance of the Democratic National Convention respecting its platform consisted of a drama of four acts. All four must be considered to measure its character and import. It might be called a tragedy, so serious and deadly were some of its developments; it might be called a comedy, so humorous were some of its phases; it might be called a melodrama, so spectacular and emotional were some of its touches.

#### WEAK GOLD PLANK REJECTED BY COMMITTEE.

The first act was that of the subcommittee of the Committee on Resolutions; the second was that of the full committee, approved by the convention; the third was that of Judge Parker, the candidate for President; the fourth was that of the convention in response to him. Only by reviewing all four in their proper relations and meaning can the true spirit of the platform and the party behind it be justly understood. When the Committee on Resolutions, consisting of one member from each State and Territory, entered on its duty of making the platform a subcommittee was appointed to do the actual work of framing it. This subcommittee included ex-Senator David B. Hill of New York, John Sharp Williams of Mississippi, William J. Bryan of Nebraska, Senator Daniel of Virginia, and ex-Senator Henry G. Davis of West Virginia, who was afterwards nominated for Vice-President. After a long discussion, in the absence of Mr. Bryan who was otherwise engaged, it adopted the following plank on the gold standard, which had been presented by Mr. Williams:

"The discoveries of gold within the past few years and the great increase in the production thereof, adding two thousand million dollars to the world's supply, of which seven hundred million falls to the share of the United States, has contributed to the maintenance of a money standard of value, no longer open to question, removing that issue from the field of political contention."

This plank only recognized the existing standard as "no longer open to question." The Democratic platforms of 1896 and 1900 had declared for the free and unlimited coinage of silver at 16 to 1, which would have made the silver standard. The Williams plank did not directly repudiate this declaration, but only acknowledged the gold standard as established by events and bowed to it.

Even this moderate concession was too much for the full committee. That committee met on the evening of July 7 to receive the draft prepared by the subcommittee, and was in session all night to consider it. Note the composition of this full committee. It included Senator Daniel of Virginia, Senator Bailey of Texas, Senator Tillman of South Carolina, Senator Carmack of Tennessee, Senator Foster of Louisiana, Senator Dubois of Idaho, and Senator Newlands of Nevada. Besides these seven present members of the United States Senate it contained four ex-Senators and leading men from every State. It was a conspicuously representative committee which fairly reflected the Democratic party of the country.

This committee had a protracted debate on the money question, one side standing for the moderate Williams plank and the other standing against any declaration whatever. Finally about 5 o'clock on the morning of July 8 it struck out the Williams plank by the decisive vote of 35 to 15. *Thus the free-silver planks of 1896 and 1900 were left as the last authoritative expression of the party without any counter or modifying declaration.*

## SIGNIFICANCE OF VOTE IN COMMITTEE.

Thus, after full deliberation and discussion, was the decision of the committee, which not only represented the party but showed in its composition that it could mould and shape the party's action. The division of the vote was significant. In the present House of Representatives the Democrats have 176 members. *The 15 votes for the Williams plank represented States which have only 47 of those members.* Throwing out New York they have only 30. Five of them have no Democratic member at all. On the other hand, the 35 votes against the Williams plank and against any money declaration represented States which have 129 of the 176 Democratic members of the House. In other words, the 35 votes against recognizing the gold standard *not only reflected the committee and the convention by more than two to one,* BUT REPRESENTED THE VOTING STRENGTH OF THE PARTY IN THE HALL OF LEGISLATION IN THE PROPORTION OF NEARLY THREE TO ONE.

## CONVENTION APPROVES.

The platform thus prepared by the Committee on Resolutions was reported to the convention on the early evening of July 8 and immediately adopted by a unanimous vote.

## JUDGE PARKER'S HALTING PROTEST.

The convention proceeded at once to make a nomination for President, and Judge Parker was nominated about 2 o'clock on the morning of the 9th. The action of the Committee on Resolutions in striking out the gold standard plank was known throughout the country on the forenoon of the 8th. The evening New York papers of that date and the morning New York Democratic papers of the 9th all treated that action as absolutely fatal to any chance of Democratic success. Then at 11 o'clock on the 9th—about 30 hours after the committee had taken the fatal step, about 18 hours after the convention had ratified it, *about 9 hours after he had been nominated*—Judge Parker sent the following telegram to the convention, addressed to his friend, William F. Sheehan:

"I regard the gold standard as firmly and irrevocably established, and shall act accordingly if the action of the convention to-day shall be ratified by the people. As the platform is silent on the subject, my view should be made known to the convention, and if it is proved to be unsatisfactory to the majority I request you to decline the nomination for me at once, so that another may be nominated before adjournment."

This telegram must be considered in the light of the antecedent and surrounding facts. Judge Parker voted for Bryan both times he was a candidate, in 1896 and in 1900. He had thus done all within his power as a citizen to establish the silver standard. But this is not all. The New York State Democratic Convention which formally presented him as a Presidential candidate was held in April. Its platform was understood to be the platform, prepared under his own eye, on which he desired to stand as a candidate and on which his candidacy was to be pressed. That platform was absolutely silent on the money question, like the national platform. For three months, while he was being advocated on this silent platform, Judge Parker saw no occasion for saying, "As the platform is silent on the question my view should be made known;" and it was only after he had been finally nominated, after even the Democratic papers within his reach had publicly declared that the deliberate exclusion of the money plank at St. Louis was suicide, and after it was too late to change the nomination without utter demoralization that the telegram was sent.

Even as it was, the telegram, with the remembrance of all these facts, naturally produced great confusion. After several hours' delay and conference it was presented to the convention, and after a further stormy discussion that body sent the following answer:

The subcommittee had inserted the money plank because it was deemed necessary to make an expression on the subject, and the full committee had fought for many hours on the question. How this is to be reconciled with the statement that the platform is silent because the question is not in issue may be left to the



imagination. The facts thus set forth show plainly the spirit and feeling of the large majority of the convention and indicate clearly whether the Democratic party can be trusted on the money standard.

#### THE TARIFF DECLARATION.

On other questions besides that of the money standard the action of the Committee on Resolutions shows dangerous tendencies and the platform is full of peril. This is especially true of the tariff. The subcommittee had sought to allay apprehension of violent disturbance in the event of Democratic success. Its draft declared in favor of a revision of the tariff, but indicated that it should be a "conservative revision," "keeping also in view, as men of common sense should, existing conditions, however wrongfully, mistakenly, or unjustly brought about, and the danger to the cause of tariff reform itself of abrupt and revolutionary reversal of policy." This saving clause, designed to reassure the business interests against fear of sweeping changes, was repeated in the further declaration in the same connection: "We should bear in mind the equal truth that in the assertion of any general principle and in reaching any ultimate end, however sacred and logically unavoidable, due regard, but only due regard, must and should be paid to actually existing conditions."

These reservations respecting the character of the tariff revision were embodied in the draft of the subcommittee with the plain purpose of winning the confidence of the business elements. But when they were reported to the full committee that body deliberately struck out all of these saving clauses, and not only that, but it adopted the most extreme and unqualified denunciation of the whole protective principle. That declaration, as reported to and accepted by the convention and as it now stands in the platform, is in these words: "We denounce protection as a robbery of the many to enrich the few, and we favor a tariff limited to the needs of the Government economically administered."

No more radical utterance could be made. The denunciation is directed not merely against a particular tariff or schedule in which it might be claimed there were wrongs, but against the whole idea and purpose of protection. It condemns any and all protection and insists that the tariff should be framed solely for revenue without any protective effect. There is no reservation or qualification. All protection is assailed as "robbery." The policy under which the greatness and prosperity of the Republic have been created is stigmatized as "robbery of the many to enrich the few." The declaration commits the Democratic party to the overthrow of the whole protective system, and, in the event of Democratic success, means just such a destruction of confidence and paralysis of industry and stagnation of business as followed the election of Cleveland in 1892.

#### TO DESTROY POWER OF THE COURTS.

The dangerous spirit of the Committee on Resolutions embodied in the platform was shown in another matter. One of the most reprehensible and obnoxious declarations of the Democratic platforms of 1896 and 1900 was the denunciation of what was called "government by injunction." The time-honored right of the courts to guard against and prevent the perpetration of wrongs by the process of injunction or mandamus is one of the sacred defenses of liberty and social order. The power to punish for contempt is the indispensable accompaniment and bulwark of this right. The Democratic platforms of 1896 and 1900, under Mr. Bryan's influence, condemned such judicial process and added: "We approve the bill passed at the last session of the United States Senate, and now pending in the House, relative to contempts in Federal courts and providing for trial by jury in certain cases of contempt."

The subcommittee at St. Louis did not include in its draft any declaration on this subject. But the full committee under Mr. Bryan's inspiration adopted, and there appears in the platform, what is practically a repetition of the odious utterance of 1896 and 1900 in these words: "We approve the measure which passed the United States Senate in 1896, but which a Republican Congress has ever since refused to enact, relating to contempts



in Federal courts and providing for trial by jury in cases of indirect contempt." The measure thus approved would nullify, and is intended to nullify, the power of the courts to punish for contempt and so would destroy its power to protect the public peace by judicial process. The renewed declaration for it shows that the virus of Bryanism still thoroughly taints the party.

#### THE PHILIPPINES.

Among the most positive utterances of the platform is the promise of independence to the people of the Philippine Islands. "It is our duty," says the platform, "to make that promise now, and upon suitable guarantees of protection to citizens of our own and other countries resident there at the time of our withdrawal set the Filipino people upon their feet, free and independent to work out their own destiny." The unfortunate and mischievous effect of such a promise at this time cannot be fully estimated. Whatever may be our ultimate purpose, such an expression just now can only have an injurious influence. The administrations of Presidents McKinley and Roosevelt have given the Filipinos the largest measure of freedom and home rule compatible with their safety and welfare. The work of educating and training them for self-government is going on. Their self-rule has been steadily extended as they were fitted for it. Every observer knows that these millions of ignorant people only recently emerged from centuries of barbarism, are not yet prepared for independence, and that to "set them upon their feet free and independent to work out their own destiny, would be to plunge them into internecine war, to deliver them over to every kind of internal strife, and to make them the prey of some other power, which would eagerly seize what we should abandon. Whatever may be deemed best when the preparation and advancement of these people have been carried further, a present and premature promise can only be hurtful to themselves. Besides, such a policy would be disastrous to our national prestige and influence in the East. Our country has gained great eclat in the Orient and high standing among the great nations in determining the affairs of that portion of the world. It took a leading part in the Boxer difficulties of 1900 and prevented the dismemberment of China. It has secured the principle of "the open door" in the East. It led the nations at the outbreak of the Russo-Japanese war in obtaining a guarantee of the neutrality of China and in localizing the war to the immediate belligerents. Through this new position in the East we have the assurance of great commercial advantages. All this has come through our possession of the Philippines, which made the United States an eastern power. If now there were Democratic success with this promise it would impair our standing beyond calculation. The nations would feel that the American people were of infirm and unstable purpose. They would regard it as unsettling our whole policy in the East, and the loss of influence, respect, and advantage would be immeasurable.

#### EVASION OF THE TRUST QUESTION.

The declaration of the platform respecting trusts and combinations is naturally of an indefinite character. As the Democratic party has never done anything against trusts either in legislation or in administration, it could not be expected to say anything of a specific nature. All that has been done on the subject by either the enactment or the enforcement of law has been done by Republicans. This is clearly shown in other chapters of this volume. The only definite proposition of the Democratic platform is a demand for "the enlargement of the powers of the Interstate Commerce Commission to the end that the traveling public and shippers of this country may have prompt and adequate relief from the abuses to which they are subjected in the matter of transportation." Just such a measure, enlarging the powers of the Interstate Commerce Commission, was passed by a Republican Congress and approved by the President February 19, 1903. It strengthens the provision against rebates, increases the penalty, assures swifter prosecution, and establishes more complete safeguards. The record shows that the Republicans have acted while the Democrats have only talked.

The remainder of the platform consists only of empty expressions. It favors the upbuilding of a merchant marine, but

denounces every measure for accomplishing it. It deprecates the race question, but condemns any proceeding against the disfranchisement of a race. It holds up the promise of pensions to the ear, but breaks it to the hope of any practical step. In all its leading features the platform shows that the Democratic party is unchanged.

### ST. LOUIS-ESOPUS EPISODE.

#### EVASION OF LEADING ISSUES BY PLATFORM, CONVENTION, AND CANDIDATE.

In order that the real meaning of the joint performance at St. Louis with reference to the relation of the Democratic party and its candidate to the currency question may be understood, the incidents pertaining thereto are here enumerated in their chronological order. That it was the deliberate purpose to deceive the voters of the United States with reference to the real attitude of the Democratic party on the currency question cannot be doubted. Indeed Mr. Bryan, who has been on two previous occasions the spokesman of that party and whose personality absolutely dominated and controlled the convention upon this question, says openly "It was a plain and deliberate attempt to deceive the party."

Taking up the matter chronologically, the first subject for consideration is Judge Parker's history with reference to politics. The New York Tribune of July 13, 1904 says:

"While Judge Parker was still a young man and free to choose the political leaders and associates to whom he might look for preferment, he consented to manage Hill's first campaign for Governor and was rewarded with an appointment to the Supreme Court bench. \* \* \* In due time he became Hill's candidate for Chief Judge of the Court of Appeals."

#### EVASION ON THE SILVER QUESTION.

It was during this candidacy for the Judgeship of the Court of Appeals, in 1897, a candidacy made, according to the above quotation, under Mr. Hill's management, that Judge Parker made his first "record" on one of the vital subjects of this campaign. At that time the Bryan silver influence in New York was very strong and was represented by Hon. Elliott Danforth, Chairman of the Democratic State Committee. In order, apparently, to placate that element, Mr. Danforth urged Mr. Parker to express himself on the silver question and he did so in the following letter declaring that he had supported Bryan and free silver in both national campaigns. It will be seen by an examination of the letter that it was prepared with the especial purpose of giving his opinion to that element of the party in New York which he designates as "the sincere friends of Mr. Bryan."

"New York, Sept. 20, 1897.

"The Hon. Elliot Danforth, Chairman of the Democratic Committee: "My Dear Mr. Danforth—It was entirely right for you to bring to my attention the question which the sincere friends of Mr. Bryan are pressing upon you. I can say to you frankly and sincerely that you can assure them that I voted for the last national nominees of the Democratic party, as I have voted for all the regular Democratic nominees since I had a vote.

"Yours, very sincerely,

"ALTON B. PARKER."

It will be noted that while this letter states that he "voted for the last national nominees of the party," it is singularly like the recent telegram to St. Louis in that it *omits any expression of his personal views on the real question at issue.*

#### EVASION ON THE TRUST QUESTION.

Judge Parker's next record was made by the platform of the New York State convention of 1904, in the preparation of which he personally aided, and which the New York Evening Post (Democratic) says he revised and attested. The New York Times said of the platform. "It is understood to have full approval of Judge Parker."

That platform, like the one at St. Louis, was silent on the money question and upon the question of trusts was "State's rights" to a degree which must have delighted the heart of the southern element which supported him so cordially at the St. Louis convention. It stated explicitly that "*corporations chartered by the state must be subject to just regulation by the state.*"



This proposition with reference to trusts—to relegate the entire question to the states—means of course to do nothing, and is as complete an evasion of the trust question on the part of democracy of New York as was the evasion of the St. Louis platform on the money question. For three months Judge Parker stood contentedly on this platform made by his friends and by the state convention which nominated him as its candidate for the Presidency, uttering no word of dissatisfaction with its evasions of the chief issues of the campaign. So unsatisfactory was this platform and the candidate whose views it was understood to represent that Mr. Bryan, in an address at Chicago on April 23, 1904, denounced him as unfitted to receive the support of the party, saying that “the Democrats of the nation ought to defeat as an aspirant for the Democratic nomination any man who would be willing to have it go forth as a declaration of his views on public questions” and added that in his opinion, “Judge Parker is not a fit man to be nominated by the Democratic party.”

#### MORE EVASION ON THE MONEY QUESTION.

Mr. Hill went to St. Louis prior to the opening of the convention as Judge Parker's accredited representative. When the Committee on Platform met, Mr. Hill and other representatives of Judge Parker urged the adoption of the plank on the money question as follows:

“The discoveries of gold within the past few years and the great increase in the production thereof, adding two thousand million dollars to the world's supply, of which seven hundred millions falls to the share of the United States, has contributed to the maintenance of a money standard of value no longer open to question, removing that issue from the field of political contention.”

The above statement was, by implication at least, false and misleading. The Democratic party in 1900 reiterated its declaration in behalf of the free and unlimited coinage of silver, basing that proposition upon the claim that only by the unlimited use of silver as money metal could the world's requirement for currency metal be properly met. Since that declaration of 1900 the world's production of gold has, according to the annual estimates of the Director of the Mint, amounted to \$1,142,000,000 or only \$112,000,000 more than during the four years immediately preceding the declaration of 1900 when the Democratic party demanded the free and unlimited coinage of silver upon the theory that the gold supply was insufficient. In other words, the plank proposed by Mr. Hill attempted to show that the change of sentiment in the party since its last declaration was due to an enormous increase in the production of gold, while in fact the increase in the production of gold since that last declaration in 1900 has been only \$112,000,000 more than that of the four years preceding the declaration of 1900. The world's production of gold in the four years immediately preceding the Democratic convention of 1900 which declared for the free and unlimited coinage of silver upon the claim that the production of gold was insufficient to meet the requirements, amounted to \$1,030,000,000 while in the four years since the Democratic convention of 1900 the world's gold production has been \$1,142,000,000.

#### GOLD PLANK REJECTED BY MORE THAN TWO-THIRDS VOTE.

The above plank proposed by Mr. Hill and other supporters of Judge Parker, declaring that the increased production of gold removes the money question from the field of political contention, was rejected by the committee, after a 19-hours' struggle, by a vote of 35 to 15, and an agreement was reached that the platform should contain no reference to the money question.

#### NEWS MUST HAVE REACHED ESOPUS EARLY ON FRIDAY.

This rejection of the gold plank and conclusion to omit the money question from the platform occurred according to the New York Evening Post at 4.40 o'clock on Friday morning as a result of the all-night session of the committee. The news was flashed over the country by telegraph with remarkable promptness and was in the mouths of the people in every part of the United States as soon as the business of the day had opened. It was known in the newspaper offices of New York and Albany by the time Judge Parker had breakfasted on Friday and had of course



been telephoned and telegraphed to the bevy of newspaper correspondents which constantly surrounded Judge Parker's house, and it seems impossible to suppose that the information should have failed to reach him personally very early on Friday morning, either through those correspondents or by personal communications from his friends in St. Louis or from the newspaper offices, especially those supporting his candidacy and which were able to communicate instantly with him on that important subject. It was the talk of the town early in the forenoon of Friday in all New York, in Washington and every other city in which any interest was felt on the subject. The New York Evening Post, the most urgent of his supporters, in its issue of that date, announced in startling headlines: "*No Money Plank.*" Thus people of all classes in the United States who were at all interested in this subject knew, in the early part of Friday, that the Platform Committee had decided, by a more than two-thirds vote, to recommend that no utterance be made on the money question and there was reason to believe that the convention would adopt that proposition, and it seems impossible to suppose that Judge Parker could have failed to receive this information very early in the day on Friday. The New York and Albany afternoon papers containing the announcement were doubtless at Esopus long before the close of the day and certainly during many hours of Friday afternoon and night during which the convention was in session.

#### PARKER PRESS URGING ACTION ON FRIDAY NIGHT.

The editors of the New York papers which had been supporting his candidacy wrote on Friday night, for their Saturday morning issues, vigorous editorials, not only denouncing the omission of the money question from the platform, but stating that such omission would destroy the possibility of party success. The New York World said "*to reject this resolution and refusing to make any utterance on the question that has twice defeated the party is to invite another overthrow.*"

The New York Sun said that "*Hill's sinister methods have intervened at the critical moment to overcloud hopes that were bright and to turn possible victory into probable defeat.*"

Even the New York Evening Post of Friday had said: "*On anything but an affirmation of the gold standard Judge Parker cannot stand; short of it the party has not a gleam of hope before it.*"

But most striking of all these demands which his editorial friends wrote on Friday night, while he persisted in remaining silent, was that of the New York Times, which said:

"On Bryan's platform Judge Parker will never be elected. He must make his own and make it promptly if he would stay the tide of defection. The convention expressly refused to declare for gold, thereby confessing that the Democracy is not cured of the free silver craze. \* \* \* The blunder can be amended, so far as it is amendable at all, only by the candidate—and at this hour of writing, before the taking of the ballot, we are assuming the nomination of Parker. He must at once declare \* \* \* that the gold monetary standard, as now established by law, is permanent and no longer open to question. We do not say that by such a declaration Judge Parker would avert defeat; we fear it is too late for that."

Note the similarity of the wording of this declaration, demanded while the nomination was pending, and *complied with after the nomination* had been secured. The demand is that he "AT ONCE" declare that "the monetary standard, as now established by law, is permanent and no longer open to question." The next day, after the editorial had been read and digested, and the nomination had been secured, Judge Parker followed the advice in almost the language dictated, by declaring that "I regard the gold standard as firmly and irrevocably established."

It can scarcely be possible that while these personal friends and supporters of Judge Parker were writing these things about him on Friday afternoon and evening they failed to communicate their views to him in a personal way. Reports of the incidents at Judge Parker's home during this time, published in the New York papers, indicate that messages were being constantly received in his house by telephone, thus indicating that he was not at any moment so isolated from the public as to prevent his receiving full information of what was in progress either

through the bulletins from St. Louis which were being sent freely in all directions or through direct communications from his friends in St. Louis and New York. That this information *did* reach him on Friday is now practically confessed in a statement from Esopus, published in the New York Times and other papers on July 12, which is given as from a "near friend" of Judge Parker. It says:

Even when the news came Friday that the Resolutions Committee had agreed on a platform which contained no financial plank, a full conception of what seemed to be his duty did not form itself in Judge Parker's mind. \* \* \* Even if he had a vague notion, as he admitted yesterday, of the awkward position in which he would be placed, holding as he did such decided views on the money question, should he be put at the head of the ticket on a platform which did not commit itself on that vital issue, the gravity of such a situation did not at first clearly present itself to him.

#### ANOTHER EVASIVE RESPONSE.

Yet with all this information forced upon him through these numerous avenues which he could not possibly have escaped, he was silent until his friends had absolutely secured for him the nomination, and the convention, worn out with the night of struggle, had taken a recess until Saturday afternoon when it should complete its work by nominating his running mate. Then *the nomination having been secured*, and fully 24 hours after he *must* have known of the Platform Committee's action and the probability that the convention would ignore the money question, he sent the following telegram:

Esopus, N. Y., July 9, 1904.

Hon. Wm. F. Sheehan, Hotel Jefferson:

I regard the gold standard as firmly and irrevocably established, and shall act accordingly if the act of the convention to-day shall be ratified by the people.

As the platform is silent on the subject, my view should be known to the convention; and if it is proved to be unsatisfactory to the majority, I request you to decline the nomination for me, so that another may be nominated before adjournment.

(Signed)

ALTON B. PARKER.

Note again the similarity of this telegram and the 1897 letter to Mr. Danforth—*In each case there is an evasion, a sphinx-like silence on the real question of the writers' views* as to the vital issue of the silver question. He says he thinks the question irrevocably settled, but does not say whether he thinks it properly and rightfully settled, any more than he said in his letter to Mr. Danforth that he did or did not believe in the silver standard in 1896 and 1900 when he voted for the party nominee.

#### THE CONVENTION DISREGARDED PARKER'S DECLARATION.

When Judge Parker's telegram reached St. Louis in the afternoon of Saturday, the convention was not in session. It had remained in session all of Friday night to nominate him, and, having accomplished this, at 5.48 on Saturday morning, had taken a recess until 2 P. M. Just before that hour, the receipt of the telegram from Judge Parker threw the leaders into confusion and there was necessity of a conference as to what course should be pursued. So the convention was persuaded to take another recess until 5 o'clock, which it did. By this time news of the real cause of the second recess had begun to leak out and threw the leaders and members into a turmoil and rage seldom if ever seen in a national gathering of this kind. The southern members, who with Mr. Bryan had been the chief participants in the proceedings, were especially vigorous in their denunciation of the telegram and its author. The New York Sun, in its report of the scene, says that "At the Jefferson, Planters', and Southern hotels, many of the delegates tore off their Parker badges and flung them on the floor and stamped on them." Senator Tillman, according to the same authority, said that Judge Parker's action should be repudiated if the party was to be saved and that no man had a right to put himself above the action of the convention which nominated him. Senator Culberson, of Texas, according to the same authority, said that the delegates from his state were furious and would not allow themselves to be bullied or bulldozed. Governor Vardeman of Mississippi agreed with Senator Culberson, and said that the platform as adopted should stand, and the delegates from Tennessee concurred in the sentiments of Culberson, Tillman, and Vardeman.



Governor Dockery of Missouri, the Sun says, remarked that "Judge Parker should go and take another bath in the Hudson." The New York World reports Senator Tillman as asking if the committee on resolutions was to be kicked and cuffed about as if it were nothing, and adding, "The Democratic party can always be relied upon to make a ——— fool of itself at the right time." The same authority reports Ollie James of Kentucky as saying that if a gold-standard plank were adopted his state would give a majority of 100,000 Republican. Ex-Senator Jones, Chairman of the Democratic National Committee, is reported by the same paper as saying, "I consider the gold plank proposition as fake politics," and it adds that Chairman Cowherd, of the Democratic Congressional Committee, remarked that "Any attempt to discredit the decision taken in 1896 and 1900 would be a mistake." The New York Herald reports Senator Tillman as saying, "If Judge Parker sent this message, I am in favor of moving to withdraw the vote of South Carolina which nominated him; I stood for peace, but the last concession has been made." Representative Vandiver of Missouri, according to the same authority, remarked, "We have got what we deserved for nominating a clam," and Mr. Sheehan, according to the World dispatch, said to the delegates who surrounded him, "Please let me alone; I am half crazy."

#### THE REPLY OF THE CONVENTION.

When the convention re-assembled at 5.30, the leaders were not yet ready with their reply to Judge Parker, and another recess was taken until 9 o'clock. When the members of the convention came together again at 9 o'clock it waited a full hour and at 10 o'clock on Saturday night Judge Parker's telegram was read to the delegates wearied with two nights' struggle over platform and nomination and the following reply proposed:

"The platform adopted by this convention is silent on the question of the monetary standard because it is not regarded by us as a possible issue in this campaign, and only campaign issues were mentioned in the platform. Therefore there is nothing in the views expressed by you in the telegram just received which would preclude a man entertaining them from accepting the nomination on said platform.

This proposed telegram and flat refusal to subscribe to any sentiments expressed in Judge Parker's message was urged upon the convention by Tillman, Williams, and others. Mr. Bryan, hearing of the situation, left his sick bed and appeared on the floor of the convention at 10.30 p. m., and after a speech in which he reflected upon Judge Parker by saying, "It is a manly thing for a man to express his opinion before the convention adjourns: it would have been manlier to have expressed it before the convention met," withdrew objection, and the convention, wearied with two all-night sessions and a third night now half spent, voted to authorize the chairman to send a reply and consider the matter at an end.

So insistent and all-powerful were the silver men in committee and convention that after the gold plank had been stricken out in the committee, Mr. Bryan called attention to the fact that the final section of the platform in its appeal to the public invoked the support of "all our fellow citizens who, disregarding past differences upon questions no longer an issue, desire the perpetuation of our constitutional government," etc. He insisted that the words "upon questions no longer an issue" be stricken out, lest they might be regarded as referring to the silver question, and it was agreed in committee that this should be done. After the committee had adjourned, it was discovered that the platform had been given to the press with these words still retained, and Mr. Bryan again sharply called attention to the matter; and as a result the copy of the platform when furnished to the official reporters showed that the words "upon questions no longer an issue" had been stricken out.

#### WHAT DID THE PARKER TELEGRAM MEAN?

Now for an analysis of Judge Parker's telegram. In it Judge Parker says: "I regard the gold standard as firmly and irrevocably established and shall act accordingly if the act of the convention to-day shall be ratified by the people." The Century Dictionary gives the meaning of the word "irrevocably" as



"beyond recall; so as to preclude recall or repeal." The purpose of Judge Parker's telegram then must have been to assert that the gold standard was, in his opinion, established beyond repeal, and the meaning of his statement that he would "act accordingly if the act of the convention to-day shall be ratified by the people" was apparently intended to convey the impression that he would interpose his veto in case of a repeal of the gold standard act by the party which had refused in convention in 1904 to withdraw its advocacy of the free and unlimited coinage of silver.

WAS THE IMPLIED PLEDGE ONE THAT COULD BE MADE EFFECTIVE?

While this implied assertion is quite out of line with that made by Chairman Danforth in 1897 when Judge Parker went out of the way to gain silver votes by announcing that he had twice supported Mr Bryan and free silver, its absolute worthlessness as an assurance of ability to maintain the gold standard, even if he were perfectly sincere in that wish, is shown by the latest record of the Democratic party in Congress upon this question.

#### DEMOCRATIC RECORD ON LAW ESTABLISHING GOLD STANDARD.

That latest record was made in the vote upon the bill offered by the Republican party in 1899 establishing the gold standard. In the vote in the House of Representatives on that bill (December 18, 1899) eleven (11) Democrats voted for the bill and 142 against it, and in the Senate on the same measure (February 15, 1900) two (2) Democrats voted for the bill and 23 Democrats against it. Thus on the test vote in 1899 and 1900 on the bill establishing the gold standard, more than nine-tenths of the Democrats in the House and Senate voted against the proposition and less than one-tenth voted for it. With this record of the party on a distinct proposition to establish and maintain the gold standard, of what value is Judge Parker's implied promises that he would veto a bill repealing the gold standard? A two-thirds vote in the House and Senate would pass such a measure over his veto and the record of his own party in Congress is that nine-tenths of its members voted in 1900 against the gold standard act, and, it may be assumed, would vote to override a veto of the bill repealing that act against which they thus voted. The absolute unwillingness of the Democratic party to be at all guided by the views of a President of its own selection is shown in the fact that it passed in House and Senate in 1894, a tariff act so unsatisfactory to its President that he not only denounced it in measured terms during its consideration but withheld his signature when it was finally forced upon him by his own party.

WAS SILENCE ON THE MONEY QUESTION A PREARRANGED PLAN?

Not only did the St. Louis convention of 1904 decline to make an expression on the money question even after the receipt of Judge Parker's telegram, but there are facts which indicate that this was the settled purpose of the supporters of Judge Parker from the beginning. The Hon. John Sharp Williams, leader of the Democratic party in Congress, an avowed supporter of Judge Parker, in his speech as Temporary Chairman on the opening of the convention announced that the party would present its candidate "*upon a platform ignoring dead issues.*" This announcement was made before the Platform Committee had met. His early assertion that the party would "ignore dead issues" indicates that it was the intention of this leader of the party in the House of Representatives and his associates that the party would ignore and pass by in silence this silver question, to which it could in fact still be pledged unless it should in some definite manner revoke its former action upon this subject. That it was the intention of the party leaders from the first to omit reference to this important subject and also to make it appear that this treatment of the question in the platform of the party would have Judge Parker's approval or at least his tacit consent is further indicated by the fact that Mr. Littleton, in his speech nominating Judge Parker (which speech had of course been submitted to that gentleman before its presentation) said:

"If you ask me why he has been silent, I tell you it is because he does not claim to be the master of the Democratic party. He is content to be its servant. If you ask me why he has not outlined a policy for this convention, I tell you that he does not

believe that policies should be dictated, but that the sovereignty of the party is in the untrammelled judgment and wisdom of its members; if you ask me what his policy will be, if elected, I tell you that it will be that policy which finds expression in the platform of his party."

In addition to this, attention is again called to the silence on the money question of the New York state platform framed with the co-operation and full approval of Mr. Parker and with the purpose of making it the basis for his presentation to the convention as candidate of New York state.

But say his supporters, "he did express himself despite the refusal of the convention to consider the money question and despite the assertion of his spokesman that "his policy will be that which finds expression in the platform of his party." Yes he did express himself, but that expression was withheld until his nomination was safely within his grasp and until he had been on the other hand warned by the leading newspapers of his party that without such an expression from him they would refuse to support him and his "possible victory would be turned into defeat."

#### EX-ATTORNEY GENERAL KNOX ON JUDGE PARKER'S DECLARATION.

Ex-Attorney General Knox in an interview in the Philadelphia Press of July 15, said:

"Judge Parker's recognition of the fact that the gold standard has been irrevocably established is nothing but an acknowledgment of the accomplishment of that great fact by the Republican party against the repeated protest of his party and against his personal vote every time the issue was before the people.

"It could hardly be expected that a man of his position would exhibit less intelligence than was manifested by his prompt avowal of his knowledge of that fact after being prodded to do so by the Democratic and Mugwump New York press. It was pointed out to him that failure to do so meant defeat.

"It would be just as silly to extol an acknowledgment of the fact that the earth is round as the fact that this country is irrevocably upon a gold basis. That it is irrevocably so is because the people will not give the Democracy the chance to revoke, at least, until the good faith of the party rests upon something more substantial than the self-serving assertion of one man against the deliberate, sullen silence of the whole party.

"I have heard of no expression yet that either Judge Parker or his party regards the money question as settled right. The fair inference from his vote and his party's attitude is that they only regard it as settled for the purpose of this campaign.

"We have the authority of Mr. Littleton, who nominated Mr. Parker in a speech, which, of course, Mr. Parker saw before its delivery, that 'no candidate is greater than his party and no party greater than its principles.'"

#### THE TRUSTS AND JUDGE PARKER.

That Judge Parker owes his nomination as the Democratic candidate for the Presidency to certain powerful financial interests in Wall street is a matter of record. The chief promoter of his candidacy was August Belmont.

#### PARKER HELPED MAKE THE ALBANY PLATFORM.

On April 15, three days before the assembling of the New York Democratic State Convention, which instructed a delegation to the National Convention to vote as a unit for him, Judge Parker paid a visit to New York City. The object of that visit, and what occurred at the conferences which attended it, were set forth fully and frankly in the New York Times, an ardent Parker supporter, on the following day. Appended is an extract from its report:

"Judge Alton B. Parker spent several hours in this city yesterday in consultation with William F. Sheehan and others, discussing principally the draft of the platform which has been prepared by ex-Senator David B. Hill for adoption at next Monday's Democratic State convention.

"Judge Parker, Mr. Sheehan and August Belmont lunched together, and late in the afternoon Judge Parker, accompanied by Mr. Sheehan, left for his home at Esopus, where he will remain until after the State convention. Mr. Sheehan will remain at Judge Parker's home until some time to-day, when he will go to Albany to take the approved draft of the platform back to Senator Hill. \* \* \*

"As it stands, the platform is understood to have the full approval of Judge Parker, all of the propositions advanced by Senator Hill as being likely to attract the radical vote having been eliminated at the wish of the prospective candidate for the Presidency. \* \* \*

"The platform which has been approved, and which will be presented to the convention on Monday, is understood to be drawn or



ultra-conservative lines, and to avoid all references to the rocks on which the party split in the last two national campaigns."

#### TRUSTS TO BE LET ALONE.

The fourth plank of the platform thus approved and subsequently adopted by the convention, reads as follows:

"Corporations chartered by the State must be subject to just regulation by the State in the interest of the people."

There is no mistaking the meaning of that declaration. It abolishes national control of trusts and all similar combinations. If embodied in law it would compel the repeal of the statute under which the Northern Securities suit was brought and won by President Roosevelt. It is absurd to suppose that Judge Parker, who is nothing if not an able and experienced lawyer, could have read and approved this declaration without fully comprehending its meaning. It is equally absurd to suppose that David B. Hill and Mr. Belmont were not fully aware of its intent, and of its effect in operation were it to become a law. No question that was to come before the New York convention was calculated to command more careful consideration from Judge Parker and his friends in this conference than that of trusts. Nobody knew better than they that the only reason for taking the Democratic nominee for the Presidency from the State of New York was that President Roosevelt had incurred the bitter hostility of Wall street because of his uncompromising conduct in enforcing the law against the trusts. The Democratic hope relied solely upon finding a candidate who would be acceptable to the trusts, and who would not only get them votes, but their money in the campaign. Judge Parker knew this, and Mr. Belmont knew it. The only safe course was to put in a declaration favorable to the trusts, and this was done.

After the convention had been held and the platform had been adopted, the Democratic State Committee met on April 30 to organize for the campaign. In the interim not a word came from Judge Parker expressing dissatisfaction with the platform which, aside from its trust deliverance, was weak and meaningless. There had been much discussion as to the chairmanship of the committee, and several candidates for the position had been suggested. The Parker influence was exerted for Cord Meyer, and he was elected. The same influence was exerted for Patrick H. McCarren for chairman of the executive committee, and he also was elected.

#### PARKER'S REAL BACKERS.

Who is Cord Meyer, and who is Patrick H. McCarren? Let the record tell the story:

Cord Meyer was one of the original stockholders in the first organization of the Sugar Trust in 1897. Sixteen refining companies entered the combination, with a total value of \$6,590,000. The second company to enter was the Dick J. Meyer Company, in which Cord Meyer was interested. *This company was put in at \$200,000, and to it was issued a total of several millions in trust certificates.* That was the usual trust method of procedure, as shown in the Shipbuilding Trust exposure. Havermeyer, testifying before a trust investigation, which was conducted by a joint committee of the two houses of the New York Legislature in 1897, said with his usual frankness, that the Sugar Trust was formed to control the price and the production of sugar in the United States. Evidence was presented at the same investigation that the Trust controlled the sugar business, even down to the retailer, by a system of factors' agreements, and that grocers who would not sign these factors' agreements to sell sugar at the price dictated by the Trust had their supply shut off. It was shown that even with the tremendous capitalization the Trust paid dividends of 12 per cent. It was also shown that seven or eight large refineries were shut down, and that between 5,000 and 6,000 men were thrown out of employment permanently.

In their report the investigation committee, which had gone into the Tobacco, Rubber and Wall Paper Trusts, as well as the Sugar Trust, declared that "every such combination was accompanied by enormous capitalization, and was generally followed by a successful effort to distribute its stock to the public through the channels of speculation. Every such combination was followed



by the closing and dismantling of factories, the discharge of labor and the concentration of the business of many separate organizations into a few of the many factories controlled by the combination."

To this report all the members of the committee, save one, affixed his signature. The dissenting member was Patrick H. McCarren, who made a minority report defending the trusts, and especially the Sugar Trust, as beneficent institutions.

Was it by mere accident that these two trust beneficiaries and defenders were put in charge of the Democratic campaign in New York? Meyer, in addition to having been a stockholder in the Sugar Trust, is a director in a half-dozen or more other trusts. He is a millionaire and is personally acquainted with the magnates of Wall street. No sooner was the New York delegation secured for Parker than Meyer began to "pass the hat" in Wall street for funds to promote the Parker candidacy, saying that Belmont had borne all the expense to date, and that others should help in order to get Parker nominated. His function is to collect the money from the trusts, while McCarren is to spend it where it "will do the most good."

One other point remains to be taken from the record. At the Democratic State convention, which chose the Parker delegation, four Presidential electors-at-large for the State were elected. One of these was James T. Woodward, President of the Hanover National Bank of New York, another was Henry Payne Whitney, son of the late William C. Whitney, and a third was Isador Straus. These withdrew several weeks later under a loud outcry from the Democratic press, led by the New York World, because one as President of a National Bank and the others as directors in such institutions, were ineligible under the law. They were put on the ticket, for the same reason that Meyer and McCarren were put in charge of the campaign work, to invite the confidence and contributions of the moneyed interests of Wall street.

It is said that the Democrats will be able to collect a large campaign fund this year for the first time in many years. Where will they get it? From the trusts which are angry at President Roosevelt because he refused to allow them to violate the law, or to look upon them as above the law. Will the trusts give money to Parker, in view of the anti-trust plank of the St. Louis platform? Why should they not? That is not his plank, but Bryan's. Parker's plank is in the New York platform, and the trusts can easily get assurance from Belmont and Meyer that he will stand by that.

## RECORD OF THE DEMOCRATIC PARTY ON THE ACT ESTABLISHING THE GOLD STANDARD.

### Analysis of the Vote in the House and Senate Upon that Act.

Judge Parker's telegram to the St. Louis convention stated that he regards "the gold standard as firmly and irrevocably established and shall act accordingly."

How little he is in accord with his party on this subject is shown not only by the fact that the convention declined both before and after his telegram to repudiate in any way the silver platform of 1896 and 1900, but is also shown by the vote of the Democratic party in Congress on the act establishing the gold standard. That measure was passed in the House of Representatives December 18, 1899: was amended in the Senate and passed February 15, 1900, and the conference report which presented the bill in the form in which it became a law was voted upon in the Senate March 6, 1900, and in the House March 13, 1900. The votes on this measure at its various stages are summarized by Representative T. C. McRae, of Arkansas, a Democrat, on pages 3034 and 3035 of the daily Congressional Record of March 14, 1900. (page 2842 of bound record) as follows:

Vote on passage in the House, December 18, 1899:

Yeas—179 Republicans, 11 Democrats.

Nays—142 Democrats, 5 Populists, 3 Silverites.

Vote on passage in Senate, February 15, 1900:

Yeas—44 Republicans, 2 Gold Democrats.

Nays—23 Democrats, 3 Silverites, 2 Populists, 1 Republican.

## Vote in Senate on Conference Report, March 6, 1900:

Yeas—43 Republicans, 1 Democrat.

Nays—21 Democrats, 2 Silverites, 2 Populists, 1 Republican.

## Vote on Conference Report in House of Representatives, March 13, 1900:

Yeas—157 Republicans, 9 Democrats.

Nays—114 Democrats, 4 Populists, 2 Silverites.

## THE VOTE AGAINST THE GOLD STANDARD ACT.

The vote against the bill on its original passage in the House on December 18, 1899, with the politics of each member as stated in the Congressional Directory for 1900, is summarized in the Congressional Record of March 14, 1900, by Hon. Thomas C. McRae, a Democratic Congressman from Arkansas, as follows:

Adamson, Ga., Dem.  
 Allen, Ky., Dem.  
 Allen, Miss., Dem.  
 Atwater, N. C., Dem.  
 Bailey, Tex., Dem.  
 Ball, Tex., Dem.  
 Bankhead, Ala., Dem.  
 Barber, Pa., Dem.  
 Bartlett, Ga., Dem.  
 Bell, Col., Pop.  
 Benton, Mo., Dem.  
 Berry, Ky., Dem.  
 Bradley, N. Y., Dem.  
 Brantley, Ga., Dem.  
 Braezale, La., Dem.  
 Brenner, O., Dem.  
 Brewer, Ala., Dem.  
 Brundidge, Ark., Dem.  
 Burke, Tex., Dem.  
 Burleson, Tex., Dem.  
 Burnett, Ala., Dem.  
 Caldwell, Ill., Dem.  
 Carmack, Tenn., Dem.  
 Chanler, N. Y., Dem.  
 Clark, Mo., Dem.  
 Clayton, Ala., Dem.  
 Cochran, Mo., Dem.  
 Cooney, Mo., Dem.  
 Cooper, Tex., Dem.  
 Cowherd, Mo., Dem.  
 Cox, Tenn., Dem.  
 Crawford, N. C., Dem.  
 Crowley, Ill., Dem.  
 Cummings, N. Y., Dem.  
 Cusack, Ill., Dem.  
 Daly, N. J., Dem.  
 Davenport, S. W. Pa., Dem.  
 Davis, Fla., Dem.  
 DeArmond, Mo., Dem.  
 DeGraffenreid, Tex., Dem.  
 DeVries, Cal., Dem.  
 Dinsmore, Ark., Dem.  
 Dougherty, Mo., Dem.  
 Elliott, S. C., Dem.  
 Ebes, Va., Dem.  
 Finley, S. C., Dem.  
 Fitzgerald, Mass., Dem.  
 Fitzpatrick, Ky., Dem.  
 Fleming, Ga., Dem.  
 Foster, Ill., Dem.  
 Fox, Miss., Dem.  
 Gaines, Tenn., Dem.  
 Gaston, Pa., Dem.  
 Gilbert, Ky., Dem.  
 Glynn, N. Y., Dem.  
 Gordon, O., Dem.  
 Green, Pa., Dem.  
 Griffith, Ind., Dem.  
 Griggs, Ga., Dem.  
 Hall, Pa., Dem.  
 Hay, Va., Dem.  
 Henry, Miss., Dem.  
 Henry, Tex., Dem.  
 Howard, Ga., Dem.  
 Jett, Ill., Dem.  
 Johnston, W. Va., Dem.  
 Jones, Va., Dem.  
 Kitchin, N. C., Dem.  
 Kleberg, Tex., Dem.  
 Kluttz, N. C., Dem.  
 Lamb, Va., Dem.  
 Lanham, Tex., Dem.  
 Latimer, S. C., Dem.  
 Lentz, O., Dem.  
 Lester, Ga., Dem.

Lewis, Ga., Dem.  
 Little, Ark., Dem.  
 Livingston, Ga., Dem.  
 Lloyd, Mo., Dem.  
 McClellan, N. Y., Dem.  
 McCulloch, Ark., Dem.  
 McDowell, O., Dem.  
 McLain, Miss., Dem.  
 McRae, Ark., Dem.  
 Maddox, Ga., Dem.  
 May, N. Y., Dem.  
 Meekison, O., Dem.  
 Meyer, La., Dem.  
 Miers, Ind., Dem.  
 Moon, Tenn., Dem.  
 Muller, N. Y., Dem.  
 Naphen, Mass., Dem.  
 Neville, Neb., Pop.  
 Newlands, Nev., Sil.  
 Noonan, Ill., Dem.  
 Norton, Ill., Dem.  
 Norton, S. C., Dem.  
 Otey, Va., Dem.  
 Pierce, Tenn., Dem.  
 Polk, Pa., Dem.  
 Quarles, Va., Dem.  
 Randsdell, La., Dem.  
 Rhea, Ky., Dem.  
 Rhea, Va., Dem.  
 Richardson, Tenn., Dem.  
 Ridgely, Kan., Pop.  
 Riordan, N. Y., Dem.  
 Rixey, Va., Dem.  
 Robb, Mo., Dem.  
 Robbins, Ala., Dem.  
 Robinson, Ind., Dem.  
 Robinson, Neb., Dem.  
 Rucker, Mo., Dem.  
 Ryan, N. Y., Dem.  
 Ryan, Pa., Dem.  
 Salmon, N. J., Dem.  
 Shackelford, Mo., Dem.  
 Shafroth, Col., Sil.  
 Sheppard, Tex., Dem.  
 Sibley, Pa., Dem.  
 Sims, Tenn., Dem.  
 Slayden, Tex., Dem.  
 Small, N. C., Dem.  
 Smith, Ky., Dem.  
 Snodgrass, Tenn., Dem.  
 Sparkman, Fla., Dem.  
 Spight, Miss., Dem.  
 Stark, Neb., Pop.  
 Stephens, Tex., Dem.  
 Stokes, S. C., Dem.  
 Sulzer, N. Y., Dem.  
 Sutherland, Neb., Pop.  
 Swanson, Va., Dem.  
 Talbert, S. C., Dem.  
 Tate, Ga., Dem.  
 Taylor, Ala., Dem.  
 Terry, Ark., Dem.  
 Thomas, N. C., Dem.  
 Turner, Ky., Dem.  
 Underwood, Ala., Dem.  
 Vandiver, Mo., Dem.  
 Wheeler, Ky., Dem.  
 Williams, J. R., Ill., Dem.  
 Williams, Miss., Dem.  
 Williams, W. E., Ill., Dem.  
 Wilson, Ida., Sil.  
 Young, Va., Dem.  
 Zenor, Ind., Dem.  
 Ziegler, Pa., Dem.

The vote against the bill on its original passage in the Senate, February 15, 1900, and the politics of each Senator, were as follows:

Bate, Tenn., Dem.  
 Berry, Ark., Dem.  
 Butler, N. C., Pop.  
 Chandler, N. H., Rep.  
 Chilton, Tex., Dem.  
 Clark, Mont., Dem.  
 Clay, Ga., Dem.  
 Cockrell, Mo., Dem.  
 Culberson, Tex., Dem.  
 Daniel, Va., Dem.  
 Harris, Kan., Pop.  
 Heitfeld, Ida., Pop.  
 Jones, Ark., Dem.  
 Jones, Nev., Sil.  
 Kenney, Del., Dem.

McEnery, La., Dem.  
 McLaurin, S. C., Dem.  
 Martin, Va., Dem.  
 Money, Miss., Dem.  
 Morgan, Ala., Dem.  
 Pettus, Ala., Dem.  
 Rawlins, Utah, Dem.  
 Stewart, Nev., Sil.  
 Sullivan, Miss., Dem.  
 Taliferro, Fla., Dem.  
 Teller, Col., Sil.  
 Tillman, S. C., Dem.  
 Turley, Tenn., Dem.  
 Vest, Mo., Dem.

Even the Democratic Representatives in the New England and Middle States which now pose as supporters of the gold standard voted generally against the act establishing the gold standard. In the original vote on the bill in the House of Representatives, December 18, 1899, 23 of the 33 Democratic representatives from the northeastern section of the United States—including in that term Pennsylvania, Delaware, New Jersey, New York, and the New England States—voted against the act. Of the 18 Democratic members from New York who are reported as having voted upon this act, 10 are recorded as having voted against it, as follows: Messrs. George B. McClellan, Sulzer, Cummings, Bradley, Riordan, Muller, May, Chanler, Glynn, and Ryan. Of the 10 Democratic Representatives from Pennsylvania who are reported as having voted on the bill, 9 are recorded as having voted against it, viz.: Messrs. Barber, Green, Davenport, Ryan, Polk, Ziegler, Gaston, Sibley, and Hall. Of the 3 Democratic Representatives from Massachusetts who are reported as voting on the bill, two—Messrs. Fitzgerald and Naphen—are recorded as voting against it. The two New Jersey Democrats—Messrs. Salmon and Daly—reported as voting are also recorded in the negative.

Thus in the one section of the United States whose Democracy poses as the "gold wing" of the Democratic party, 23 of the 33 who voted in the House of Representatives upon this measure establishing the gold standard are recorded in the official reports of the Congressional proceedings as having voted against it and only 10 for it. In other words, in the one section of the United States in which the Democracy claims its greatest strength for the gold standard, *more than two-thirds* of the Democratic members of Congress when put to the test voted against the act establishing the gold standard. If this be true of that section of the Democracy in which the gold standard is in greatest favor, what value would the views of Mr. Parker or his veto as a President prove upon any measure relating to this subject, since in that part of the country which claims the greatest strength for the gold standard the vote was more than two-thirds against its establishment.

That is the record of the vote in Congress on the gold standard act by the party whose newspapers and Presidential candidate are now trying to make the people believe that it is a gold standard party or that it is abandoning in any way its opposition to the gold standard.

### LATEST DEMOCRATIC UTTERANCES ON THE MONEY QUESTION.

Here are the latest official utterances of the Democratic party in national convention on the money question, the money planks of their platforms in 1896 and 1900, also the rejected plank of 1904:

ADOPTED BY THE DEMOCRATIC NATIONAL CONVENTION AT CHICAGO,  
 JULY 8, 1896.

Recognizing that the money system is paramount to all others at this time, we invite attention to the fact that the Federal Constitution names silver and gold together as the money metals of the United States, and that the first coinage law passed by Congress under the Constitution made the silver dollar the monetary unit, and admitted gold to free coinage at a ratio based upon the silver dollar unit. We declare that the act of 1873 demonetizing



silver without the knowledge or approval of the American people has resulted in the appreciation of gold and a corresponding fall in the prices of commodities produced by the people; a heavy increase in the burden of taxation and of all debts, public and private; the enrichment of the money-lending class at home and abroad; prostration of industry and impoverishment of the people. We are unalterably opposed to gold monometallism, which has locked fast the prosperity of an industrial people in the paralysis of hard times. Gold monometallism is a British policy, and its adoption has brought other nations into financial servitude to London. It is not only un-American but anti-American, and it can be fastened on the United States only by the stifling of that spirit and love of liberty which proclaimed our political independence in 1776 and won it in the war of the Revolution.

ADOPTED BY THE DEMOCRATIC NATIONAL CONVENTION AT KANSAS CITY,  
JULY 5, 1900.

We reaffirm and indorse the principles of the National Democratic platform adopted at Chicago in 1896, and we reiterate the demand of that platform for an American financial system, made by the American people for themselves, which shall restore and maintain a bimetallic price level, and as part of such system the immediate restoration of the free and unlimited coinage of silver and gold at the present ratio of 16 to 1, without waiting for the aid or consent of any other nation. We denounce the Currency bill enacted at the last session of Congress as a step forward in the Republican policy which aims to discredit the sovereign right of the National Government to issue all money, whether coin or paper, and to bestow upon national banks the power to issue and control the volume of paper money for their own benefit. A permanent national bank currency, secured by Government bonds, must have a permanent debt to rest upon, and if the bank currency is to increase with population and business the debt must also increase. The Republican currency statement is, therefore, a statement for fastening upon the taxpayers a perpetual and growing debt for the benefit of the banks. We are opposed to this private corporation paper circulated as money, but without legal tender qualities, and demand the retirement of the national bank notes as fast as Government paper or silver certificates can be substituted for them.

PLANK REJECTED IN PLATFORM COMMITTEE AT DEMOCRATIC NATIONAL CONVENTION AT ST. LOUIS, JULY 8, 1904, BY VOTE OF 35 TO 15.

The money question: The discoveries of gold within the past few years and the great increase in the production thereof, adding \$2,000,000,000 to the world's supply, of which \$700,000,000 falls to the share of the United States, has contributed to the maintenance of a money standard of value, no longer open to question, removing that issue from the field of political contention.

Not only was the above plank rejected in the committee by a vote of 35 to 15, but the convention unanimously adopted the platform which made no declaration on the money question, thus leaving the declarations of 1896 and 1900 *still the official utterances of the party upon this question.*

The refusal of the platform committee and of the convention to in any way revise or modify the declarations of 1896 and 1900 on the money question was emphasized by a *further refusal to in any way act upon the question after the receiving of Judge Parker's telegram.* Judge Parker's telegram and the resolution of response adopted by the convention are as follows:

#### JUDGE PARKER'S TELEGRAM.

I regard the gold standard as firmly and irrevocably established and shall act accordingly if the action of the convention to-day shall be ratified by the people.

As the platform is silent on the subject my view should be made known to the convention, and if it is proved to be unsatisfactory to the majority I request you to decline the nomination for me at once, so that another may be nominated before adjournment.

ALTON B. PARKER.

#### RESPONSE OF THE CONVENTION.

The platform adopted by this convention is silent on the question of the monetary standard, because it is not regarded by us as a possible issue in this campaign, and only campaign issues were mentioned in the platform. Therefore there is nothing in the views expressed by you in the telegram just received which would preclude a man entertaining them from accepting a nomination on said platform.

The currency act of March 14, 1900, establishing the gold standard, upon which the Democratic party in House and Senate made the record above quoted—a record reported by a leading Democratic member of Congress and placed in the Congressional Record—is as follows:

THE GOLD STANDARD CURRENCY LAW, ENACTED BY THE FIFTY-SIXTH CONGRESS, AND VOTED AGAINST BY PRACTICALLY ALL DEMOCRATS.

[Official Copy.]

An act to define and fix the standard of value, to maintain the parity of all forms of money issued or coined by the United States, to refund the public debt, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the dollar consisting of twenty-five and eight-tenths grains of gold nine-tenths fine, as established by section thirty-five hundred and eleven of the Revised Statutes of the United States, shall be the standard unit of value, and all forms of money issued or coined by the United States shall be maintained at a parity of value with this standard, and it shall be the duty of the Secretary of the Treasury to maintain such parity.

Sec. 2. That United States notes and Treasury notes issued under the act of July fourteenth, eighteen hundred and ninety, when presented to the Treasury for redemption, shall be redeemed in gold coin of the standard fixed in the first section of this act, and in order to secure the prompt and certain redemption of such notes as herein provided it shall be the duty of the Secretary of the Treasury to set apart in the Treasury a reserve fund of one hundred and fifty million dollars in gold coin and bullion, which fund shall be used for such redemption purposes only, and whenever and as often as any of said notes shall be redeemed from said fund it shall be the duty of the Secretary of the Treasury to use said notes so redeemed to restore and maintain such reserve fund in the manner following, to wit: First, by exchanging the notes so redeemed for any gold coin in the general fund of the Treasury; second, by accepting deposits of gold coin at the Treasury or at any sub-treasury in exchange for the United States notes so redeemed; third, by procuring gold coin by the use of said notes, in accordance with the provisions of section thirty-seven hundred of the Revised Statutes of the United States. If the Secretary of the Treasury is unable to restore and maintain the gold coin in the reserve fund by the foregoing methods, and the amount of such gold coin and bullion in said fund shall at any time fall below one hundred million dollars, then it shall be his duty to restore the same to the maximum sum of one hundred and fifty million dollars by borrowing money on the credit of the United States, and for the debt thus incurred to issue and sell coupon or registered bonds of the United States in such form as he may prescribe, in denominations of fifty dollars or any multiple thereof, bearing interest at the rate of not exceeding three per centum per annum, payable quarterly, such bonds to be payable at the pleasure of the United States after one year from the date of their issue, and to be payable, principal and interest, in gold coin of the present standard value, and to be exempt from the payment of taxes or duties of the United States, as well as from taxation in any form by or under State, municipal, or local authority; and the gold coin received from the sale of said bonds shall first be covered into the general fund of the Treasury and then exchanged, in the manner hereinbefore provided, for an equal amount of the notes redeemed and held for exchanged, and the secretary of the Treasury may, in his discretion, use said notes in exchange for gold, or to purchase or redeem any bonds of the United States, or for any other lawful purpose the public interests may require, except that they shall not be used to meet deficiencies in the current revenues. That United States notes when redeemed in accordance with the provisions of this section shall be reissued, but shall be held in the reserve fund until exchanged for gold, as herein provided; and the gold coin and bullion in the reserve fund, together with the redeemed notes held for use as provided in this section, shall at no time exceed the maximum sum of one hundred and fifty million dollars.

Sec. 3. That nothing contained in this Act shall be construed to affect the legal tender quality as now provided by law of the silver dollar, or of any other money coined or issued by the United States.

Sec. 4. That there be established in the Treasury Department, as a part of the office of the Treasurer of the United States, divisions to be designated and known as the division of issue and the division of redemption, to which shall be assigned, respectively, under such regulations as the Secretary of the Treasury may approve, all records and accounts relating to the issue and redemption of United States notes, gold certificates, silver certificates, and currency certificates. There shall be transferred from the accounts of the general fund of the Treasury of the United States, and taken up on the books of said divisions, respectively, accounts relating to the reserve fund for the redemption of United States notes and Treasury notes, the gold coin held against outstanding gold certificates, the United States notes held against outstanding currency certificates, and the silver dollars held against outstanding silver certificates, and each of the funds represented by these accounts shall be used for the redemption of the notes and certificates for which they are respectively pledged, and shall be used for no other purpose, the same being held as trust funds.

Sec. 5. That it shall be the duty of the Secretary of the Treasury, as fast as standard silver dollars are coined under the provisions of the Acts of July fourteenth, eighteen hundred and ninety,



and June thirteenth, eighteen hundred and ninety-eight, from bullion purchased under the Act of July fourteenth, eighteen hundred and ninety, to retire and cancel an equal amount of Treasury notes whenever received into the Treasury, either by exchange in accordance with the provisions of this act or in the ordinary course of business, and upon the cancellation of Treasury notes silver certificates shall be issued against the silver dollars so coined.

Sec. 6. That the Secretary of the Treasury is hereby authorized and directed to receive deposits of gold coin with the Treasurer or any assistant treasurer of the United States in sums of not less than twenty dollars, and to issue gold certificates therefor in denominations of not less than twenty dollars, and the coin so deposited shall be retained in the Treasury and held for the payment of such certificates on demand, and used for no other purpose. Such certificates shall be receivable for customs, taxes, and all public dues, and when so received may be reissued, and when held by any national banking association may be counted as a part of its lawful reserve: Provided, That whenever and so long as the gold coin held in the reserve fund in the Treasury for the redemption of United States notes and Treasury notes shall fall and remain below one hundred million dollars the authority to issue certificates as herein provided shall be suspended: And provided further, That whenever and so long as the aggregate amount of United States notes and silver certificates in the general fund of the Treasury shall exceed sixty million dollars the Secretary of the Treasury may, in his discretion, suspend the issue of the certificates herein provided for: And provided further, That of the amount of such outstanding certificates one-fourth at least shall be in denominations of fifty dollars or less: And provided further, That the Secretary of the Treasury may, in his discretion, issue certificates in denominations of ten thousand dollars, payable to order. And section fifty-one hundred and ninety-three of the Revised Statutes of the United States is hereby repealed.

Sec. 7. That hereafter silver certificates shall be issued only of denominations of ten dollars and under, except that not exceeding in the aggregate ten per centum of the total volume of said certificates, in the discretion of the Secretary of the Treasury, may be issued in denominations of twenty dollars, fifty dollars, and one hundred dollars; and silver certificates of higher denomination than ten dollars, except as herein provided, shall, whenever received at the Treasury or redeemed, be retired and canceled, and certificates of denominations of ten dollars or less shall be substituted therefor, and after such substitution, in whole or in part, a like volume of United States notes of less denomination than ten dollars shall from time to time be retired and canceled, and notes of denominations of ten dollars and upward shall be reissued in substitution therefor, with like qualities and restrictions as those retired and cancelled.

Sec. 8. That the Secretary of the Treasury is hereby authorized to use, at his discretion, any silver bullion in the Treasury of the United States purchased under the Act of July fourteenth, eighteen hundred and ninety, for coinage into such denominations of subsidiary silver coin as may be necessary to meet the public requirements for such coin: Provided, That the amount of subsidiary silver coin outstanding shall not at any time exceed in the aggregate one hundred millions of dollars. Whenever any silver bullion purchased under the Act of July fourteenth, eighteen hundred and ninety, shall be used in the coinage of subsidiary silver coin, an amount of Treasury notes issued under said Act equal to the cost of the bullion contained in such coin shall be canceled and not reissued.

Sec. 9. That the Secretary of the Treasury is hereby authorized and directed to cause all worn and uncurrent subsidiary silver coin of the United States now in the Treasury, and hereafter received, to be recoined, and to reimburse the Treasurer of the United States for the difference between the nominal or face value of such coin and the amount the same will produce in new coin from any moneys in the Treasury not otherwise appropriated.

Sec. 10. That section fifty-one hundred and thirty-eight of the Revised Statutes is hereby amended so as to read as follows:

"Section 5138. No association shall be organized with a less capital than one hundred thousand dollars, except that banks with a capital of not less than fifty thousand dollars may, with the approval of the Secretary of the Treasury, be organized in any place the population of which does not exceed six thousand inhabitants, and except that banks with a capital of not less than twenty-five thousand dollars may, with the sanction of the Secretary of the Treasury, be organized in any place the population of which does not exceed three thousand inhabitants. No association shall be organized in a city the population of which exceeds fifty thousand persons with a capital of less than two hundred thousand dollars."

Sec. 11. That the Secretary of the Treasury is hereby authorized to receive at the Treasury any of the outstanding bonds of the United States bearing interest at five per centum per annum, payable February first, nineteen hundred and four, and any bonds of the United States bearing interest at four per centum per annum, payable July first, nineteen hundred and seven, and any bonds of the United States bearing interest at three per centum, payable per annum, payable August first, nineteen hundred and eight, and to issue in exchange therefor an equal amount of coupon or registered bonds of the United States in such form as he may prescribe, in denominations of fifty dollars or any multiple thereof, bearing interest at the



rate of two per centum per annum, payable quarterly, such bonds to be payable at the pleasure of the United States after thirty years from the date of their issue, and said bonds to be payable, principal and interest, in gold coin of the present standard value, and to be exempt from the payment of all taxes or duties of the United States, as well as from taxation in any form by or under State, municipal, or local authority: Provided, That such outstanding bonds may be received in exchange at a valuation not greater than their present worth to yield an income of two and one-quarter per centum per annum; and in consideration of the reduction of interest effected, the Secretary of the Treasury is authorized to pay to the holders of the outstanding bonds surrendered for exchange, out of any money in the Treasury not otherwise appropriated, a sum not greater than the difference between their present worth, computed as aforesaid, and their par value, and the payments to be made hereunder shall be held to be payments on account of the sinking fund created by section thirty-six hundred and ninety-four of the Revised Statutes: And provided further, That the two per centum bonds to be issued under the provisions of this act shall be issued at not less than par, and they shall be numbered consecutively in the order of their issue, and when payment is made the last numbers issued shall be first paid, and this order shall be followed until all the bonds are paid, and whenever any of the outstanding bonds are called for payment interest thereon shall cease three months after such call; and there is hereby appropriated out of any money in the Treasury not otherwise appropriated, to effect the exchanges of bonds provided for in this act, a sum not exceeding one-fifteenth of one per centum of the face value of said bonds, to pay the expense of preparing and issuing the same and other expenses incident thereto.

Sec. 12. That upon the deposit with the Treasurer of the United States, by any national banking association, of any bonds of the United States in the manner provided by existing law, such association shall be entitled to receive from the Comptroller of the Currency circulating notes in blank, registered and countersigned as provided by law, equal in amount to the par value of the bonds so deposited; and any national banking association now having bonds on deposit for the security of circulating notes, and upon which an amount of circulating notes has been issued less than the par value of the bonds, shall be entitled, upon due application to the Comptroller of the Currency, to receive additional circulating notes in blank to an amount which will increase the circulating notes held by such association to the par value of the bonds deposited, such additional notes to be held and treated in the same way as circulating notes of national banking associations heretofore issued, and subject to all the provisions of law affecting such notes: Provided, That nothing herein contained shall be construed to modify or repeal the provisions of section fifty-one hundred and sixty-seven of the Revised Statutes of the United States, authorizing the Comptroller of the Currency to require additional deposits of bonds or of lawful money in case the market value of the bonds held to secure the circulating notes shall fall below the par value of the circulating notes outstanding for which such bonds may be deposited as security: And provided further, That the circulating notes furnished to national banking associations under the provisions of this act shall be of the denominations prescribed by the law, except that no national banking association shall, after the passage of this act, be entitled to receive from the Comptroller of the Currency, or to issue or reissue or place in circulation, more than one-third in amount of its circulating notes of the denomination of five dollars: And provided further, That the total amount of such notes issued to any such association may equal at any time but shall not exceed the amount at such time of its capital stock virtually paid in: And provided further, That under regulations to be prescribed by the Secretary of the Treasury any national banking association may substitute the two per centum bonds issued under the provisions of this act for any of the bonds deposited with the Treasurer to secure circulation or to secure deposits of public money; and so much of an act entitled "An Act to enable national banking associations to extend their corporate existence, and for other purposes," approved July twelfth, eighteen hundred and eighty-two, as prohibits any national bank which makes any deposit of lawful money in order to withdraw its circulating notes from receiving any increase of its circulation for the period of six months from the time it made such deposit of lawful money for the purpose aforesaid, is hereby repealed, and all other acts or parts of acts inconsistent with the provisions of this section are hereby repealed.

Sec. 13. That every national banking association having on deposit as provided by law, bonds of the United States bearing interest at the rate of two per centum per annum, issued under the provisions of this act, to secure its circulating notes, shall pay to the Treasurer of the United States, in the months of January and July, a tax of one-fourth of one per centum each half year upon the average amount of such of its notes in circulation as are based upon the deposit of said two per centum bonds; and such taxes shall be in lieu of existing taxes on its notes in circulation imposed by section fifty-two hundred and fourteen of the Revised Statutes.

Sec. 14. That the provisions of this act are not intended to preclude the accomplishment of international bimetallism whenever conditions shall make it expedient and practical to secure the same by concurrent action of the leading commercial nations of the world and at a ratio which shall insure permanence of relative value between gold and silver.

Approved, March 14, 1900.

## CURRENCY RECORD OF THE TWO PARTIES.

**Republican Party Always in Favor of Sound Money—The Democrats Always Supporters of Unsound Financial and Currency Schemes.**

[Extract from speech by Hon. Leslie M. Shaw, Secretary of the Treasury, at College Point, Long Island, July 23, 1904.]

No one has a right to claim for the Republican party that all of its adherents have intuitively and primarily been right on every proposition. Neither has it a right to claim that each and all of its political opponents have been intuitively and primarily wrong on all propositions. But the Republican party has the right to claim, and does claim, that the consensus of mature Republican judgment has been reasonably sound and measurably consistent. It also has a right to claim, and does claim, that the consensus of opposing opinion has usually been wrong, and if not wrong primarily it has become wrong after mature deliberation, and that it has seldom been consistent with itself for any great number of consecutive years.

In proof of these logical, and I hope not altogether unphilosophical, propositions, I have time to refer to the record of the two principal parties on only one general subject. There is no question so essential to the prosperity and commercial advancement of a people as sound financial policies. Great Britain, Germany, France, and most commercial countries of Europe, have great central government banks, such as the "Bank of England," the "Imperial Bank of Germany," the "Bank of France," etc. These institutions, under appropriate legislative restrictions, issue currency (as distinguished from coin) for the use of the people, and therefore in aid of commerce.

### EARLY FINANCIAL AND CURRENCY HISTORY.

An act drawn by Hamilton, passed by Congress in 1791, and signed by Washington, authorized the organization of the Bank of the United States, but when the charter was about to expire, in 1811, a bill to renew it was defeated. In 1816 another United States bank was chartered, and in 1832 a bill to renew its charter passed both Houses, but was vetoed by President Jackson. Upon this one veto, more than upon any other single act of his administration, within the ranks of the Democratic party, rests the fame of this patron saint of that party. Having killed what was designed to be something analogous to the Bank of England and the Bank of France, it would not have seemed irregular had he recommended something in its place; but General Jackson recommended nothing. In the absence of a recommendation the then Democratic Congress might, with propriety, have evolved a financial scheme, but it did not.

When the Republican party came into power it evolved a plan. Instead of creating a great central government bank patterned after European institutions, it authorized a large number of national banks, placed them under the supervision of the Treasury Department, and gave them authority to issue redeemable currency under appropriate safeguards and restrictions. Without claiming that the national-banking act is perfect, or that our currency system is free from objection, I think the world unites in the verdict that it is the best system known to man. For its existence the people are indebted to the Democratic party for an aggregate of only 3 votes in the two Houses of Congress. I cite the fact as an illustration that the consensus of mature Republican judgment on banking and currency is reasonably sound, and that the consensus of mature judgment of the opposition party on the same great question is both unsound and inconsistent, and also indefinite.

### DEPOSITS OF GOVERNMENT FUNDS.

There being no authorized Government bank during Democratic supremacy in which the revenues of the Government could be appropriately kept, it became necessary to establish subtreasuries, which was done in 1846. Such credit as is due anyone for the original creation of subtreasuries, for the segregation of whatever revenues the Government may collect, is due the Democratic party, but in criticism of that party I cite the fact that no



provision was ever made by a Democratic Congress, and, so far as I can discover, no recommendation was ever submitted by a Democratic President, to authorize the deposit of public moneys in any class or kind of banks. In other words, our opponents developed no plan whatever, but simply allowed the Government to collect its revenues, and, having thus taken the funds out of circulation, kept them in its strong box out of reach of the people.

It is due President Jackson, however, to say that, following his veto of the bill to renew the charter of the Bank of the United States, he did deposit public money in State banks, but he did so without any act of Congress authorizing it, and he did it without taking security of any kind. But this was in 1834, before the creation of the subtreasuries.

The first and only provision for the return, to the channels of trade, of the money collected by the Government and not immediately needed, was passed by a Republican Congress, and fifty-three Democrats voted against the measure, and only three in its favor. The consensus of Democratic opinion, after fifty years of experience, was manifestly wrong.

Having destroyed the United States Bank, and failing to provide a substitute, the Democratic party allowed the country to drift as it would. No act of Congress, until 1861, ever authorized the issuance of a single dollar of currency by the Government, and, barring the charters authorizing the two United States banks, no act of Congress prior to 1863 ever authorized the issuance of a dollar of currency by any bank. The same act which authorized the issuance of national-bank currency was the first act of Congress that ever placed any restriction upon State banks or industrial corporations or private firms from issuing currency of any kind or character, and in any volume, which the people could be induced to accept.

Having no financial policy except a strong box in which the revenues of the Government, when it had any, were to be kept out of reach of the people, the country was allowed to take care of itself. I suppose the reason for this and for the repeated demands for the repeal of parts or all of the national-banking act is the Democratic fiction against paternalism. The absence of paternalism, as represented in Government supervision of banks, means "wildcat money" of the wildest and fiercest species.

The recollection of the experiences of the people under this Democratic no-policy period still seems to be an insurmountable objection within both parties to the issuance even of a limited volume of credit currency by banks directly under the supervision of the Government, with every possible safeguard, and with ample provision for its redemption in gold safeguarded and guaranteed by the Government. In other words, the experience in those Democratic times was so appalling, and the embargo upon commerce so great, and the chains which retarded our development were so heavy, so cruel, and so unbreakable, that the American people, even at this late date, shudder at the suggestion of anything that recalls the past.

#### THE NATIONAL BANKS.

The act of Congress under which national banks are chartered, and which authorizes the issuance of national-bank notes secured by a deposit of Government bonds, received the negative vote of 90 per cent of the Democrats in both Houses.

The national-banking act taxes out of existence all State and private bank currency. It levies a 10 per cent tax upon everything, except national-bank notes, designed to circulate as money. The opposition, in its platform of 1892, demanded the repeal of this 10 per cent tax, and the consequent return to the nonpaternal policy of letting anybody and everybody issue anything and everything that the people can be induced to accept. In harmony with this platform, in 1900, pending the bill to establish the gold standard, the Democrats in the Senate proposed an amendment removing this tax upon "wildcat currency," and supported it 19 to 1.

This was the position of the Democratic party in 1892. Four years later it denounced the "issuance of notes intended to circulate as money by national banks as in derogation of the Con-



stitution," and in 1900 it demanded "the retirement of national-bank notes as fast as Government paper or silver certificates can be substituted for them." These are the last official utterances of the party on the subject, and represent the attitude of the opposition on the great question of banking and currency. Our philosophical stranger, if still in the country, would possibly cite this in proof of his original deduction that the longer some people study a question the more thoroughly wrong they become.

#### CURRENCY OF THE WAR PERIOD.

The Republican party, when it came into power, found the Treasury depleted, Government credit practically exhausted, and no banks under Government supervision, and therefore no authorized and stable currency, as distinguished from coin, in the hands of the people. During the Civil War, which immediately followed Republican accession, the Government, in addition to the issuance of bonds, made a forced loan of \$400,000,000 in United States notes, commonly called greenbacks. These notes, though not expressly redeemable in gold, were always recognized by the party responsible for their issuance, and by the business community generally as a debt, for the ultimate redemption of which in that metal the Government stood morally bound.

Not being redeemable on demand, these notes fluctuated in current value as the prospect of actual redemption appeared more or less remote. Gold, being at a premium, was out of circulation, and the country did its business on a fluctuating currency.

#### RETURN TO SPECIE PAYMENTS—PARTY RECORDS THEREON.

After protracted discussion, the Republican party recognized the necessity of resuming specie payment, and in 1875 passed the well-known resumption act. By this act the Secretary of the Treasury was authorized to sell bonds to replenish the Treasury, and he was directed, from and after January 1, 1879, to redeem these United States notes in coin on demand.

The vote by which this resumption act was passed was strictly partisan. *Every Republican voted for it and every Democrat against it.* To show how even a good and perhaps a great man may reach wrong conclusions on questions of the greatest moment, through unfortunate association, I cite the fact that the *present Democratic nominee for Vice-President actually voted against the resumption of specie payment.*

The Democratic national platform the next year demanded the repeal of the resumption act, and, in harmony with the platform, the Democratic House, in 1877, actually passed a bill repealing it. The Republican Senate passed a substitute, which was sent to the House, and laid on the Speaker's table until after the resumption act actually went into effect. Shortly after resumption had become an accomplished fact, General Ewing, a leading opposition Congressman from Ohio, sought to amend the bill by inserting a provision denying the Secretary of the Treasury the power to borrow money to sustain resumption. General Garfield moved to lay the whole matter on the table, and the notion prevailed against 107 Democratic votes. It thus appears that the intuitive judgment of the opposition on the subject of resumption of specie payment was wrong at the time the resumption act was passed, and that the consensus of mature Democratic judgment became confirmed in its error after the act went into effect and as soon as greenbacks were worth their face in gold.

#### FREE AND UNLIMITED COINAGE OF SILVER.

Agitation for the free and unlimited coinage of silver begins as early as 1877, and since that date the sentiment of Congress, in one way or another, has been expressed on no less than ten occasions. Neither party can claim to have been originally united either for or against the proposition, though every vote taken shows a larger proportion of Democrats than Republicans favoring free and unlimited coinage. The bill to repeal the purchasing clause of the so-called Sherman act, for instance, though passed by an opposition Congress and on the recommendation of a Democratic President, nevertheless received the support of 78 per cent of the Republicans who voted on the question and only 61

per cent of the Democrats who voted. The bill establishing the gold standard in 1900 had an aggregate vote in its favor of 235, *only 12 of whom were Democrats, and an aggregate of 179 votes against it, only 1 of whom was a Republican*; while a free silver amendment to the bill was supported 23 to 2 by the Democrats of the Senate.

Thus gradually the sentiment in favor of the single gold standard within the Republican party increased, and the sentiment in the opposition party correspondingly diminished. When the issue was fairly presented in 1896, a new alignment occurred. Those who intuitively recognized the logical impossibility of the maintenance of parity between coins of different metals when both are coined free of expense to the owner of the bullion, and in unlimited quantity, whatever the ratio, together with those who by study and research reached the same conclusion, and those who profited by the historic fact that no country ever succeeded in maintaining, for a period of six months at a time, the parity in metallic value of coin of different material, coined freely and unlimitedly, gradually allied themselves with the Republican party; while those whose intuitions were wrong, and whose research confirmed them in their error, allied themselves with the opposite party.

This new alignment may or may not prove permanent, but it tends to establish one of the propositions which I laid down in the beginning, that *the consensus of mature judgment of the Republican party is usually right, and that the consensus of mature judgment of the Democratic party is usually wrong*. On this subject the Republican party wobbled for a time, and stumbled once or twice, but, as in other instances, ultimately regained its equilibrium. The Democratic party, on the contrary, after wobbling for a time, and stumbling frequently, finally expressed its mature judgment in its Chicago platform of 1896, which it re-affirmed in 1900, *and neither retracted nor apologized for it in 1904*.

**We know what we mean when we speak of an honest and staple currency.—From President Roosevelt's speech of acceptance.**

**Protection alone insures American labor against European pauper wages.—Former Senator Casey, in the American Economist.**

**No one suffers so much from cheap money as the farmers and laborers; they are the first to feel its bad effects and the last to recover from them.—Maj. McKinley's letter of acceptance, 1896.**

**Prosperity has come at home; the national honor and interest have been upheld abroad.—From President Roosevelt's speech of acceptance.**

**The civilized world substantially protects itself, thus forcing us to protect ourselves.—Hon. D. B. Henderson, in the American Economist.**

**We shall always need protective duties as long as our people insist upon a higher standard of wages and scale of living than prevail abroad.—Jas. M. Swank.**

**All I ask is a square deal for every man. Give him a fair chance. Do not let him wrong any one, and do not let him be wronged.—President Roosevelt at Grand Canyon, Arizona, May 6, 1903.**

**The dollar paid to the farmer, the wage-earner, and the pensioner must continue forever equal in purchasing and debt-paying power to the dollar paid to any Government creditor.—Maj. McKinley to Notification Committee, 1896.**

**We have prospered marvelously at home. As a nation we stand in the very forefront in the giant international competition of the day. We can not afford by any freak or folly to forfeit the position to which we have thus triumphantly attained.—President Roosevelt at Minneapolis, April 4, 1903.**

*Commerce of the gold and silver standard countries of the world,  
and commerce of United States with each country.*

## GOLD STANDARD COUNTRIES.

	Population.	Total commerce.	Commerce with United States.	
			Total.	Imports from U. S.
Algeria.....	4,739,000	\$125,032,000	\$550,000	\$383,000
Austria-Hungary.....	45,405,000	737,688,000	35,697,000	27,569,000
Belgium.....	6,694,000	831,092,000	70,387,000	53,237,000
British Africa (a).....	3,358,000	345,457,000	21,592,000	21,557,000
British Australasia.....	4,560,000	538,881,000	46,296,000	30,702,000
British Honduras.....	37,000	2,591,000	1,326,000	731,000
British North America.....	5,592,000	439,432,000	182,601,000	131,711,000
British West Indies.....	1,583,000	68,989,000	23,872,000	12,666,000
Bulgaria.....	3,744,000	33,762,000	193,000	58,000
Costa Rica.....	313,000	10,076,000	4,989,000	1,697,000
Cuba.....	1,573,000	136,675,000	88,472,000	25,714,000
Denmark.....	2,465,000	236,923,000	23,360,000	19,157,000
Dutch East Indies.....	35,736,000	167,663,000	11,694,000	965,000
Ecuador.....	1,204,000	15,840,000	3,171,000	1,823,000
Egypt.....	9,734,000	160,310,000	6,799,000	974,000
France.....	38,962,000	1,668,697,000	129,893,000	81,993,000
Germany.....	58,549,000	2,451,186,000	319,413,000	212,534,000
Great Britain.....	41,961,000	3,950,649,000	733,491,000	617,859,000
Hawaii.....	154,000	(b) 37,083,000	37,083,000	10,840,000
India and Ceylon.....	297,927,000	755,354,000	35,051,000	4,264,000
Italy.....	32,475,000	626,895,000	74,905,000	40,740,000
Japan.....	45,862,000	262,648,000	64,172,000	24,229,000
Netherlands.....	5,347,000	1,607,872,000	137,187,000	94,220,000
Norway.....	2,263,000	123,466,000	3,891,000	3,333,000
Peru.....	4,610,000	39,000,000	5,399,000	2,573,000
Roumania.....	5,913,000	127,026,000	139,000	139,000
Russia.....	141,000,000	697,829,000	20,049,000	17,984,000
Finland.....	2,744,000	84,308,000	1,000	1,000
Servia.....	2,536,000	22,570,000	214,000	181,000
Sweden.....	5,199,000	239,759,000	2,792,000	2,792,000
Switzerland.....	3,356,000	386,544,000	32,924,000	11,890,000
Turkey.....	24,932,000	176,206,000	2,714,000	354,000
Uruguay.....	959,000	58,221,000	4,152,000	2,148,000
United States.....	80,372,000	2,517,950,000	.....	.....
Philippine Islands.....	7,590,000	66,064,000	17,807,000	3,944,000
Total.....	929,448,000	19,749,818,000	2,142,196,000	1,460,962,000

## GOLD STANDARD COUNTRIES ON A PAPER BASIS.

Argentina.....	4,794,000	\$272,638,000	\$22,525,000	\$12,838,000
Brazil.....	14,334,000	290,611,000	82,739,000	11,156,000
Chile.....	3,051,000	116,182,000	9,029,000	5,254,000
Colombia.....	4,000,000	29,570,000	7,733,000	2,923,000
Greece.....	2,434,000	45,259,000	1,670,000	561,000
Haiti.....	1,294,000	18,260,000	3,084,000	1,956,000
Portugal.....	5,429,000	90,753,000	5,107,000	4,308,000
Spain.....	18,618,000	342,045,000	25,913,000	22,446,000
Venezuela.....	2,445,000	26,522,000	9,347,000	2,737,000
Santo Domingo.....	610,000	8,211,000	5,061,000	1,700,000
Total.....	57,009,000	1,240,051,000	172,208,000	65,879,000
Total gold standard countries.....	986,457,000	20,988,869,000	2,314,404,000	1,526,841,000

## SILVER STANDARD COUNTRIES.

Bolivia.....	1,816,000	\$16,663,000	\$79,000	\$77,000
China.....	407,253,000	339,488,000	34,644,000	18,957,000
Honduras.....	775,000	4,029,000	2,106,000	970,000
Korea.....	12,000,000	10,886,000	257,000	257,000
Mexico.....	13,545,000	141,804,000	96,490,000	39,017,000
Persia.....	9,500,000	36,946,000	.....	.....
Salvador.....	1,007,000	6,550,000	1,452,000	868,000
Siam.....	5,000,000	36,885,000	114,000	106,000
Straits Settlements.....	572,000	271,423,000	16,850,000	833,000
Total.....	451,468,000	864,674,000	151,992,000	61,085,000

## SILVER STANDARD COUNTRIES ON A PAPER BASIS.

Ecuador.....	1,204,000	\$15,840,000	\$3,171,000	\$1,348,000
Guatemala.....	1,647,000	10,152,000	3,318,000	1,128,000
Nicaragua.....	500,000	5,428,000	3,564,000	1,365,000
Paraguay.....	636,000	6,057,000	19,000	15,000
Total.....	3,987,000	37,477,000	10,072,000	3,856,000
Total silver standard countries.....	455,455,000	902,151,000	162,064,000	64,941,000



*Product of gold and silver in the United States from 1792 to 1844,  
and annually since.*

[From the report of the Director of the Mint.]

Years.	Gold.	Silver (coining value)	Total.
April 2, 1792-July 31, 1834.....	\$14,000,000	Insignificant.	\$14,000,000
July 31, 1834-Dec. 31, 1844.....	7,500,000	\$250,000	7,750,000
1845.....	1,048,000	50,000	1,098,000
1846.....	1,140,000	50,000	1,190,000
1847.....	889,000	50,000	939,000
1848.....	10,000,000	50,000	10,050,000
1849.....	40,000,000	50,000	40,050,000
1850.....	50,000,000	50,000	50,050,000
1851.....	55,000,000	50,000	55,050,000
1852.....	60,000,000	50,000	60,050,000
1853.....	65,000,000	50,000	65,050,000
1854.....	60,000,000	50,000	60,050,000
1855.....	55,000,000	50,000	55,050,000
1856.....	55,000,000	50,000	55,050,000
1857.....	55,000,000	50,000	55,050,000
1858.....	50,000,000	500,000	50,500,000
1859.....	50,000,000	100,000	50,100,000
1860.....	46,000,000	150,000	46,150,000
1861.....	43,000,000	2,000,000	45,000,000
1862.....	39,200,000	4,500,000	43,700,000
1863.....	40,000,000	8,500,000	48,500,000
1864.....	46,100,000	11,000,000	57,100,000
1865.....	53,225,000	11,250,000	64,475,000
1866.....	53,500,000	10,000,000	63,500,000
1867.....	51,725,000	13,500,000	65,225,000
1868.....	48,000,000	12,000,000	60,000,000
1869.....	49,500,000	12,000,000	61,500,000
1870.....	50,000,000	16,000,000	66,000,000
1871.....	43,500,000	23,000,000	66,500,000
1872.....	36,000,000	28,750,000	64,750,000
1873.....	36,000,000	35,750,000	71,750,000
1874.....	33,500,000	37,300,000	70,800,000
1875.....	33,400,000	31,700,000	65,100,000
1876.....	39,900,000	38,800,000	78,700,000
1877.....	46,900,000	39,800,000	86,700,000
1878.....	51,200,000	45,200,000	96,400,000
1879.....	38,900,000	40,800,000	79,700,000
1880.....	36,000,000	39,200,000	75,200,000
1881.....	34,700,000	43,000,000	77,700,000
1882.....	32,500,000	46,800,000	79,300,000
1883.....	30,000,000	46,200,000	76,200,000
1884.....	30,800,000	48,800,000	79,600,000
1885.....	31,800,000	51,600,000	83,400,000
1886.....	35,000,000	51,000,000	86,000,000
1887.....	33,000,000	53,300,000	86,300,000
1888.....	33,175,000	59,195,000	92,370,000
1889.....	32,800,000	64,645,000	97,445,000
1890.....	32,845,000	70,465,000	103,310,000
1891.....	33,175,000	75,417,000	108,592,000
1892.....	33,000,000	82,101,000	115,101,000
1893.....	35,955,000	77,576,000	113,531,000
1894.....	39,000,000	64,000,000	103,000,000
1895.....	46,610,000	72,051,000	118,661,000
1896.....	53,088,000	76,069,000	129,157,000
1897.....	57,363,000	69,637,000	127,000,000
1898.....	64,463,000	70,841,000	135,304,000
1899.....	71,053,000	70,807,000	141,860,000
1900.....	79,171,000	74,533,000	153,704,000
1901.....	78,667,000	71,388,000	150,055,000
1902.....	80,000,000	71,758,000	151,758,000
Total.....	2,543,752,000	1,873,477,000	4,417,229,000

We have kept of the same mind for a sufficient length of time to give our policy coherence and sanity.—From President Roosevelt's speech of acceptance.

I believe in the reciprocity of Blaine and McKinley, reciprocity in non-competitive goods, but not in reciprocity in competitive goods, which is simply free trade.—Hon. Andrew J. Volstead, 1 Congress, Feb. 8, 1904.

When we legislate for Alaska we are acting within the clearly granted authority of the Constitution, and when we legislate for the Philippines we are likewise within the scope and plain purpose of the Constitution.—Hon. C. W. Fairbanks, in U. S. Senate, February 22, 1902.

*Value of gold coin and bullion imported into and exported from the United States, fiscal years since 1825.*

Year ending	Imports	Exports	Excess of imports over exports	Excess of exports over imports
September 30—				
1825.....	\$529,277	\$315,672	\$213,605	
1826.....	678,740	1,056,088		\$377,348
1827.....	1,110,448	1,872,489		762,041
1828.....	808,220	1,635,084		826,864
1829.....	816,666	1,573,258		756,592
1830.....	821,146	1,422,664		601,518
1831.....	932,029	2,979,529		2,047,500
1832.....	716,686	2,049,406		1,332,720
1833.....	611,852	889,505		277,653
1834.....	3,766,172	690,180	3,075,992	
1835.....	2,325,196	1,355,280	969,916	
1836.....	7,231,862	647,455	6,584,407	
1837.....	2,431,814	3,213,735		781,921
1838.....	11,674,883	1,213,204	10,461,679	
1839.....	1,164,580	4,800,668		3,636,088
1840.....	3,085,157	3,703,373		618,216
1841.....	1,269,449	2,589,869		2,320,420
1842.....	757,294	2,304,756		1,547,462
1843.....	17,066,437	407,687	16,658,750	
1844.....	1,613,304	1,366,521	246,783	
1845.....	818,850	3,055,425		2,236,575
1846.....	910,413	2,053,199		1,142,786
1847.....	21,574,931	1,037,921	20,537,010	
1848.....	3,408,755	11,071,197		7,662,442
1849.....	4,068,647	1,972,233	2,096,414	
1850.....	1,776,706	4,560,627		2,783,921
1851.....	3,569,090	22,836,913		19,267,823
1852.....	3,558,059	40,073,979		36,515,920
1853.....	2,427,356	25,442,858		23,015,502
1854.....	3,031,964	40,170,260		37,138,296
1855.....	1,092,802	55,109,215		54,016,413
1856.....	990,305	45,000,977		44,010,672
1857.....	6,654,636	65,232,653		58,578,017
1858.....	11,566,068	50,002,804		38,436,736
1859.....	2,125,397	61,108,053		58,982,656
1860.....	2,508,786	58,446,039		55,937,253
1861.....	42,291,930	27,423,973	14,867,957	
1862.....	13,907,011	35,439,903		21,532,892
1863.....	5,530,538	62,162,838		56,632,300
1864.....	11,176,769	100,661,634		89,484,865
1865.....	6,498,228	58,381,033		51,882,805
1866.....	8,196,261	71,197,309		63,001,048
1867.....	17,024,866	39,026,627		22,001,761
1868.....	8,737,443	73,396,344		64,658,901
1869.....	14,132,568	36,003,498		21,870,930
1870.....	12,056,950	33,635,962		21,579,012
1871.....	6,883,561	66,686,208		59,802,647
1872.....	8,717,458	49,548,760		40,831,302
1873.....	8,682,447	44,856,715		36,174,268
1874.....	19,503,137	34,042,420		14,539,283
1875.....	13,696,793	66,980,977		53,284,184
1876.....	7,992,709	31,177,050		23,184,341
1877.....	26,246,234	26,590,374		344,140
1878.....	13,330,215	9,204,455	4,125,760	
1879.....	5,624,948	4,587,614	1,037,334	
1880.....	80,758,396	3,639,025	77,119,371	
1881.....	100,131,259	2,565,132	97,466,127	
1882.....	34,377,054	32,587,880	1,789,174	
1883.....	17,734,149	11,600,888	6,133,261	
1884.....	22,831,317	41,081,957		18,250,640
1885.....	26,691,696	8,477,892	18,213,804	
1886.....	20,743,349	42,952,191		22,208,842
1887.....	42,910,601	9,701,187	33,209,414	
1888.....	43,934,317	18,376,234	25,558,083	
1889.....	10,284,858	59,952,285		49,667,427
1890.....	12,943,342	17,274,491		4,331,149
1891.....	18,232,507	86,362,654		68,130,087
1892.....	49,699,454	50,195,327		495,873
1893.....	21,174,381	108,680,844		87,506,463
1894.....	72,449,119	76,778,061		4,328,942
1895.....	36,384,760	66,468,481		30,083,721
1896.....	33,525,065	112,409,947		78,884,882
1897.....	85,014,780	40,361,580	44,653,200	
1898.....	120,391,674	15,406,391	104,985,283	
1899.....	88,954,603	37,522,086	51,432,517	
1900.....	44,573,184	48,266,759		3,693,575
1901.....	66,051,187	53,185,177	12,866,010	
1902.....	52,021,254	48,568,950	3,452,304	
1903.....	44,982,027	47,090,595		2,108,568

Our policy is one of fair and equal justice to all men, paying no heed to whether he is rich or poor nor heeding his race, his creed or his birthplace.—From President Roosevelt's speech of acceptance.

# COMMERCE BETWEEN THE UNITED STATES AND CANADA, 1850 to 1904.

*Values of merchandise imported into and exported from the United States in its trade with the British North American Provinces from 1850 to 1872, inclusive, and with the Dominion of Canada from 1873 to 1903, inclusive. (Newfoundland not included after 1872.)*

[Official figures from Bureau of Statistics.]

Year ending June 30—	Exports to Canada.	Imports from Canada.	Excess of—	
			Exports.	Imports.
	Dollars.	Dollars.	Dollars.	Dollars.
1850.....	9,515,991	5,179,500	4,336,491	
1851.....	11,771,092	5,279,718	6,490,374	
1852.....	10,229,608	5,469,445	4,760,163	
1853.....	12,432,597	6,527,559	5,905,038	
1854.....	24,073,408	8,784,412	15,288,996	
1855 a.....	27,741,808	15,118,289	12,623,519	
1856 a.....	29,025,349	21,276,614	7,748,735	
1857 a.....	24,138,482	22,108,916	2,029,566	
1858 a.....	23,604,526	15,784,836	7,819,690	
1859 a.....	28,109,494	19,287,565	8,821,929	
1860 a.....	22,695,928	23,572,796		876,868
1861 a.....	22,676,513	22,724,489		47,976
1862 a.....	20,573,070	18,511,025	2,062,045	
1863 a.....	27,619,814	17,484,786	10,135,028	
1864 a.....	26,574,624	29,608,736		3,034,112
1865 a.....	28,829,402	33,264,403		4,435,001
1866 a.....	24,828,880	48,528,628		23,699,748
1867.....	21,020,302	25,044,005		4,023,703
1868.....	24,080,777	26,261,379		2,180,602
1869.....	23,381,471	29,293,766		5,912,295
1870.....	25,339,254	36,265,328		10,926,074
1871.....	32,276,176	32,542,137		265,961
1872.....	29,411,454	36,346,930		6,935,476
1873.....	32,534,984	37,175,254		4,640,270
1874.....	41,827,904	34,173,586	7,654,318	
1875.....	34,547,219	27,867,615	6,679,604	
1876.....	33,375,719	28,805,964	4,569,755	
1877.....	37,418,315	24,164,755	13,253,560	
1878.....	37,146,682	25,044,811	12,101,871	
1879.....	29,604,385	25,719,771	3,884,614	
1880.....	29,460,257	32,988,564		3,528,307
1881.....	37,903,322	37,684,101	219,221	
1882.....	36,500,403	50,775,581		14,275,178
1883.....	44,417,110	44,294,158	122,952	
1884.....	44,306,196	38,399,835	5,906,361	
1885.....	38,245,634	36,695,685	1,549,949	
1886.....	33,462,800	37,304,036		3,841,236
1887.....	34,988,110	37,847,277		2,859,167
1888.....	35,882,383	42,924,554		7,042,171
1889.....	40,607,561	42,738,074		2,130,513
1890.....	40,282,108	39,042,977	1,239,131	
1891.....	38,147,778	39,087,782		940,004
1892.....	43,299,787	34,954,203	8,345,584	
1893.....	46,794,332	37,777,463	9,016,869	
1894.....	56,664,094	30,790,916	25,873,178	
1895.....	52,854,769	36,574,327	16,280,442	
1896.....	59,687,921	40,887,565	18,800,356	
1897.....	64,928,821	40,309,371	24,619,450	
1898.....	83,714,086	31,870,486	51,843,600	
1899.....	87,974,961	31,220,967	56,753,994	
1900.....	95,319,970	39,369,074	55,950,896	
1901.....	105,789,214	42,482,163	63,307,051	
1902.....	109,642,993	48,076,124	61,566,869	
1903.....	123,266,788	54,781,418	68,485,370	

(a) Period of reciprocal trade.

There has been considerable debate as to whether the Constitution follows the flag. No matter how diverse and conflicting our opinions may be on this subject, there is one opinion that we all entertain, and that is that the American school-house follows the flag.—Hon. C. W. Fairbanks, in U. S. Senate, February 2, 1902.

Our experience in the past has shown that sweeping revision of the tariff are apt to produce conditions closely approaching panic in the business world. Yet it is not only possible, but eminently desirable, to combine with the stability of our economic system a supplementary system of reciprocal benefit and obligation with other nations.—President Roosevelt's Annual Message, Fifty-seventh Congress, first session.



*Coinage of the United States mints from 1846 to 1902.*

[From the report of the Director of the Mint.]

Calendar year.	Total coinage.			
	Gold.	Silver.	Minor.	Total.
	Dollars.	Dollars.	Dollars.	Dollars.
1846	4,034,177.50	2,558,580.00	41,208.00	6,633,965.50
1847	20,202,325.00	2,374,450.00	61,836.69	22,638,611.69
1848	3,775,512.50	2,040,050.00	64,157.99	5,879,720.49
1849	9,007,761.50	2,114,950.00	41,984.32	11,164,695.82
1850	31,981,738.50	1,866,100.00	44,467.50	33,892,306.00
1851	62,614,492.50	774,397.00	99,635.43	63,488,524.93
1852	56,846,187.50	999,410.00	50,630.94	57,896,228.44
1853	39,377,909.00	9,077,571.00	67,059.78	48,522,539.78
1854	25,915,962.50	8,916,270.00	42,638.35	34,577,870.85
1855	29,387,968.00	3,501,245.00	16,030.79	32,905,243.79
1856	36,857,768.50	5,142,240.00	27,106.78	42,027,115.28
1857	32,214,040.00	5,478,760.00	178,010.46	37,870,810.46
1858	22,938,418.50	8,495,370.00	246,000.00	31,679,783.50
1859	14,780,570.00	3,284,450.00	364,000.00	18,429,020.00
1860	23,473,654.00	2,259,390.00	205,660.00	25,938,704.00
1861	83,395,530.00	3,783,740.00	101,000.00	87,280,270.00
1862	20,875,997.50	1,252,516.50	280,750.00	22,409,264.00
1863	22,445,482.00	809,267.80	498,400.00	23,753,149.80
1864	20,081,415.00	609,917.10	926,687.14	21,618,019.24
1865	28,295,107.50	691,005.00	968,552.86	29,954,665.36
1866	31,435,945.00	982,409.25	1,042,960.60	33,461,314.25
1867	23,828,625.00	908,876.25	1,819,910.00	26,557,411.25
1868	19,371,387.50	1,074,343.00	1,697,150.00	22,142,880.50
1869	17,582,987.50	1,266,143.00	963,000.00	19,812,130.50
1870	23,198,787.50	1,378,255.50	350,325.00	24,927,368.00
1871	21,032,685.00	3,104,038.30	99,890.00	24,236,613.30
1872	21,812,645.00	2,504,488.50	369,380.00	24,686,513.50
1873	57,022,747.50	4,024,747.60	379,455.00	61,426,950.10
1874	35,254,630.00	6,851,776.70	342,475.00	42,448,881.70
1875	32,951,940.00	15,347,893.00	246,970.00	48,546,803.00
1876	46,579,452.50	24,503,307.50	210,800.00	71,293,560.00
1877	43,999,864.00	28,393,045.50	8,525.00	72,401,434.50
1878	49,786,052.00	28,518,850.00	58,186.50	78,363,088.50
1879	39,080,080.00	27,569,776.00	165,003.00	66,814,859.00
1880	62,308,279.00	27,411,693.75	391,395.95	90,111,368.70
1881	96,850,890.00	27,940,163.75	428,151.75	125,219,205.50
1882	65,887,685.00	27,973,132.00	960,400.00	94,821,217.00
1883	29,241,990.00	29,246,968.45	1,604,770.41	60,093,728.86
1884	23,991,756.59	28,534,866.15	796,483.78	53,323,106.43
1885	27,773,012.50	28,962,176.20	191,622.04	56,926,810.74
1886	28,945,542.00	32,086,709.90	343,186.10	61,375,438.00
1887	23,972,383.00	35,191,081.40	1,215,686.26	60,379,150.66
1888	31,380,808.00	33,025,606.45	912,200.78	65,318,615.23
1889	21,413,931.00	35,496,683.15	1,283,408.49	58,194,022.64
1890	20,467,182.50	39,202,908.20	1,384,792.14	61,054,882.84
1891	29,222,005.00	27,518,856.60	1,312,441.00	58,053,302.60
1892	34,787,222.50	12,641,078.00	961,480.42	48,389,780.92
1893	56,997,020.00	8,802,797.30	1,134,931.70	66,934,749.00
1894	79,546,160.00	9,200,350.85	438,177.92	89,184,688.77
1895	59,616,357.50	5,698,010.25	882,430.56	66,196,798.31
1896	47,053,060.00	23,089,899.05	832,718.93	70,975,677.98
1897	76,028,485.00	18,487,297.30	1,526,100.05	96,041,882.35
1898	77,985,757.00	23,034,933.45	1,124,835.14	102,144,625.59
1899	111,344,220.00	26,061,519.90	1,837,451.86	139,243,191.76
1900	99,272,942.50	36,345,321.45	2,031,137.39	137,649,401.34
1901	101,735,187.50	30,838,460.75	2,120,122.08	134,693,770.33
1902	47,184,932.50	30,028,167.20	2,447,796.17	79,660,895.87

Republican reciprocity is reciprocity in non-competing articles in nothing else.—Hon. John Dalzell, in Congress, March 1, 1904.

The national credit is of too paramount importance and nothing should be done to tarnish or impair it.—Hon. W. McKinley, in House of Representatives, April 15, 1878.

The biggest corporation, like the humblest private citizen, must be held to strict compliance with the will of the people as expressed in the fundamental law.—President Roosevelt at Cincinnati, Ohio, September 20, 1902.

Remembering those Republican promises and their fulfillment the years since, calling to mind the unfilled Democratic promises and the bitter years of 1893-1896, what will you gain by voting the Democratic ticket in 1904?—Representative Chas. Dick, of Ohio, in Congress, Jan. 5, 1904.

*Production of gold and silver in the world since the discovery of America.*

[From 1493 to 1885, from a table of averages compiled by Dr. Adolph Soetbeer; since the latter date, the annual estimate of the Director of the Mint.]

Period.	Gold.		Silver.		Percentage of production.	
	Total for period.		Total for period.		By weight.	
	Ounces, fine	Value.	Ounces, fine.	Coining value.	Gold.	Silver.
		Dollars.		Do lars.		
1493-1520....	5,221,160	107,931,000	42,309,400	54,703,000	11.0	89.0
1521-1544....	5,524,656	114,205,000	69,598,320	89,986,000	7.4	92.6
1545-1560....	4,377,544	90,492,000	160,287,040	207,240,000	2.7	97.3
1561-1580....	4,398,120	90,917,000	192,578,500	248,990,000	2.2	97.8
1581-1600....	4,745,340	98,095,000	269,352,700	348,254,000	1.7	98.3
1601-1620....	5,478,360	113,248,000	271,924,700	351,579,000	2.0	98.0
1621-1640....	5,336,900	110,324,000	253,084,800	327,221,000	2.1	97.9
1641-1660....	5,639,110	116,571,000	235,530,900	304,525,000	2.3	97.7
1661-1680....	5,954,180	123,084,000	216,691,000	280,166,000	2.7	97.3
1681-1700....	6,921,895	143,088,000	219,841,700	284,240,000	3.1	96.9
1701-1720....	8,243,260	170,403,000	228,650,800	295,629,000	3.5	96.5
1721-1740....	12,268,440	253,611,000	277,261,600	358,480,000	4.2	95.8
1741-1760....	15,824,230	327,116,000	342,812,235	443,232,000	4.4	95.6
1761-1780....	13,313,315	275,211,000	419,711,820	542,658,000	3.1	96.9
1781-1800....	11,438,970	236,464,000	565,235,580	730,810,000	2.0	98.0
1801-1810....	5,715,627	118,152,000	287,469,225	371,677,000	1.9	98.1
1811-1820....	3,679,568	76,063,000	173,857,555	224,786,000	2.1	97.9
1821-1830....	4,570,444	94,479,000	148,070,040	191,444,000	3.0	97.0
1831-1840....	6,522,913	134,841,000	191,758,675	247,930,000	3.3	96.7
1841-1850....	17,605,018	363,928,000	250,903,422	342,400,000	6.6	93.4
1851-1855....	32,051,621	662,566,000	142,442,986	184,169,000	18.4	81.6
1856-1860....	32,431,312	670,415,000	145,477,142	188,092,000	18.2	81.8
1861-1865....	29,747,913	614,944,000	177,009,862	228,861,000	14.4	85.6
1866-1870....	31,350,430	648,071,000	215,257,914	278,313,000	12.7	87.3
1871-1875....	27,955,068	577,883,000	316,585,069	409,322,000	8.1	91.9
1876-1880....	27,715,550	572,931,000	393,878,009	509,256,000	6.6	93.4
1881-1885....	23,973,773	495,582,000	460,019,722	594,773,000	5.0	95.0
1886-1890....	27,306,411	564,474,000	544,557,155	704,074,000	4.8	95.2
1891-1895....	39,412,823	814,736,000	787,906,656	1,018,708,000	4.8	95.2
1896.....	9,783,914	202,251,000	157,061,370	203,069,200	5.9	94.1
1897.....	11,420,068	236,073,700	160,421,082	207,413,000	6.7	93.3
1898.....	13,877,806	286,879,700	169,055,253	218,576,800	7.6	92.4
1899.....	14,837,775	306,724,100	168,337,453	217,648,200	8.1	91.9
1900.....	12,315,135	254,556,300	173,591,364	224,441,200	6.6	93.4
1901.....	12,692,300	262,373,300	173,011,283	223,691,300	6.8	93.2
1902.....	14,313,660	295,889,600	166,955,639	215,861,800	7.9	92.1
Total....	513,964,609	10,624,093,300	9,168,497,971	11,854,213,500	5.3	94.7

*Production of gold and silver by principal countries, in 1902.*

[Includes all countries having a product of more than \$1,000,000 of either gold or silver.]

Country.	Gold.	Silver.	
	Value.	Coining Value.	Commercial value.
North America:			
United States.....	\$80,000,000	\$71,757,600	\$29,415,000
Mexico.....	10,153,100	77,804,100	31,893,800
Canada.....	20,741,200	5,564,500	2,281,000
Africa.....	39,023,700		
Australasia.....	81,578,800	10,377,100	4,253,800
Europe:			
Russia.....	22,533,400	205,200	84,100
Austria-Hungary.....	2,171,300	2,432,200	997,000
Germany.....	62,500	7,399,000	3,033,000
Italy.....	5,300	1,246,800	511,100
Spain.....	10,200	4,784,100	1,961,100
Greece.....		1,409,500	577,800
South America:			
Bolivia.....	4,700	16,798,600	6,886,100
Chile.....	575,200	4,611,600	1,890,400
Colombia.....	2,522,600	2,297,000	941,600
Brazil.....	1,994,600		
Guiana (British).....	1,808,600		
Guiana (French).....	2,420,200		
Peru.....	2,326,100	5,513,700	2,260,300
Central America.....	2,001,900	1,255,800	514,100
Asia:			
Japan.....	1,287,000	505,000	207,000
China.....	8,731,800		
Korea.....	3,500,000		
British India.....	9,588,100		
East Indies (British).....	1,027,100		

*Stocks of money in thirteen principal countries of the world in 1873 and 1902.*

Relative increase in use of gold, silver and paper money illustrated.

Countries.	Stock of Gold.			Stock of Silver.			Uncovered Paper.		
	1873.	1899.	1902.	1873.	1899.	1902.	1873.	1899.	1902.
United States	\$135,000,000	\$945,300,000	\$1,248,000,000	\$6,150,000	\$639,000,000	\$673,300,000	\$749,445,000	\$329,700,000	\$456,100,000
Great Britain	160,000,000	462,300,000	548,100,000	95,000,000	111,900,000	116,800,000	59,800,000	111,600,000	117,900,000
France	450,000,000	810,600,000	947,700,000	500,000,000	420,100,000	419,800,000	385,300,000	161,100,000	159,200,000
Germany	160,200,000	672,800,000	763,500,000	306,235,000	208,200,000	207,500,000	90,800,000	156,700,000	184,100,000
Russia	149,100,000	740,400,000	746,200,000	18,600,000	81,900,000	104,600,000	618,400,000		
Italy	20,000,000	98,000,000	107,700,000	23,000,000	43,900,000	37,700,000	87,800,000	174,900,000	171,300,000
Belgium	25,000,000	30,000,000	16,000,000	15,000,000	45,000,000	25,600,000	35,100,000	82,500,000	108,300,000
Netherlands	12,000,000	30,200,000	21,300,000	37,300,000	56,400,000	56,600,000	15,300,000	47,200,000	20,800,000
Austria-Hungary	35,000,000	221,400,000	283,000,000	40,000,000	147,300,000	81,100,000	265,800,000	103,000,000	46,600,000
Australasia	50,000,000	132,100,000	128,600,000	3,000,000	7,000,000	6,100,000		22,500,000	
Denmark	4,100,000	16,900,000	15,500,000	7,500,000	5,400,000	5,900,000	6,500,000	5,900,000	7,800,000
Sweden	1,800,000	13,000,000	17,800,000	4,300,000	6,500,000	7,000,000	6,000,000	29,500,000	29,000,000
Norway	7,600,000	8,600,000	8,200,000	1,600,000	2,300,000	3,500,000	2,300,000	5,100,000	7,900,000
Total	1,209,800,000	4,182,100,000	4,852,200,000	1,057,685,000	1,774,900,000	1,748,500,000	2,322,545,000	1,229,700,000	1,308,000,000



## PASSPORT PRIVILEGES UNIFORM.

### Statement by Congressman Williams at St. Louis Wholly Misleading.

Hon. John Sharp Williams said in his speech at St. Louis:

"Our fellow-citizens of Russian birth and Jewish extraction who cannot procure from the State Department a passport to revisit Russia without being cautioned that they will not be protected there will read this part of the Republican platform, considering its source, with singular astonishment."

"This statement is wholly misleading. When an American citizen of Russian origin receives a passport from the State Department he receives a notice showing what are the provisions of Russian law liable to affect him, in order that he may be forearmed not to incur danger through ignorance.

An American citizen of German origin receives a similar notice as to German law when a passport is granted to him; a citizen of Austrian origin receives one as to Austria; of Turkish origin as to Turkey; of Portuguese origin as to Portugal; of Italian origin as to Italy, and so on for all countries which have laws liable to affect a naturalized American citizen when he returns.

Mr. Williams's statement is disproved by Document No. 590, LVIIth Congress, first session. This was the resolution of Representative Goldfogle, of New York, calling upon the Secretary of State to state (1) whether American citizens of Jewish faith were prevented from entering Russia, and (2) whether Russia had any regulations applying especially to the exclusion of American Jews. Secretary Hay's reply, printed in this document, said:

"The second question may be categorically answered in the negative. Such discrimination, if it were made, would call forth immediate action of protest from this Government.

"This department has no information remotely indicating that American Jews stand upon a footing different from that occupied by the Jews of other countries in the administration of Russian law.

"The exclusion of naturalized citizens of Russian origin and of Jews from Russia was thus commented upon by Secretary Olney in his report to the President for the year 1896:

"The published correspondence for a number of years back has shown the persistence of the United States in endeavoring to obtain for its citizens, whether native or naturalized, and irrespective of their faith, the equality of privilege and treatment stipulated for all American citizens in Russia by existing treaties. Holding to the old doctrine of perpetual allegiance; refusing to lessen its authority by concluding any treaty recognizing the naturalization of a Russian subject without prior imperial consent; asserting the extreme right to punish a naturalized Russian on return to his native jurisdiction, not merely for unauthorized emigration, but also specifically for the unpermitted acquisition of a foreign citizenship; and sedulously applying, at home and through the official acts of its agents abroad, to all persons of the Jewish belief, the stern restrictions enjoined by the Russian law, the government of Russia takes ground not admitting of acquiescence by the United States, because at variance with the character of our institutions, the sentiments of our people, the provisions of our statutes, and the tendencies of modern international comity.

"Under these circumstances conflict between national laws, each absolute within the domestic sphere and inoperative beyond it, is hardly to be averted."

"Since this report the position of the department has not changed, and its efforts to secure uniform treatment for American citizens in Russia, begun many years ago, have continued although they have not been attended with encouraging success.

"The Department of State now sends to all persons of Russian birth who receive passports an unofficial notice showing what are the provisions of Russian law liable to affect them, in order that they may not incur danger through ignorance. In transmitting a copy of this notice to the Ambassador of the United States at St. Petersburg, for his information, he was instructed on February 15, 1901, as follows:

The State Department grants to every American citizen, native or naturalized, Christian or Jew, the same passport, and insists that all foreign governments shall accept it *prima facie* proof

that the person it describes is a citizen of the United States and entitled to protection as such. Any statements, therefore, that Jews are refused passports or that when they receive passports they are notified that they will not be protected in any foreign country is absolutely without foundation in fact.

For the past four years the State Department has furnished every American citizen of foreign birth who receives a passport with an unofficial statement showing the general provisions of the law of the country of his birth which may affect him if he returns, and which, therefore, it is important for him to know before he goes abroad. Before these notices were issued naturalized citizens frequently put themselves in a dangerous position through ignorance, and complained that had they known what the laws were which would be likely to affect them they would have avoided danger or taken steps to overcome it; but there can be no ground for such complaint now. When a Jew receives one of these notices it is because he was born abroad and not because he is a Jew. The State Department requires no man to state his religion and never knows that the applicant for a passport is a Jew, unless he volunteers the information.

In order that the notices sent to naturalized citizens with their passports might not possibly be construed into meaning that this Government was disposed to relax its equal protection to all American citizens traveling abroad, Secretary Hay sent the following instruction to every American minister as soon as the notices were prepared, the instruction to the Ambassador at St. Petersburg being quoted as an example:

"The inclosed notice to American citizens formerly subjects of Russia who contemplate returning to that country the department is sending to all persons born in Russia who receive passports. It is sent to you merely for your information, and you are instructed that it is not intended to mean that there has been any abatement on the part of this Government in its policy of protecting equally naturalized and native born Americans during their travels or sojourn abroad, as the law requires. Nor does the notice foreshadow any mitigation of such dissent as this Government may have expressed to the laws or regulations of Russia which may deny equality of treatment to all lawabiding citizens, regardless of their place of birth."

It is also a standing instruction to each American minister and consul to protect every American Jew from unjust molestation, and this Government's attitude towards the Russian Government's position on this subject is one of permanent and oft-repeated protest.

Indeed, there has never been a case brought to the State Department's attention of the arrest or ill-treatment of an American Jew in Russia that interposition in his behalf has not been made. As recently as June 13, 1904, our Ambassador at St. Petersburg was again directed to reopen the question and to present the House resolution of April 21 to the Russian Government as evidence of the popular support in this country of this Government's position, and the Secretary of State has over and over again pressed the matter upon the attention of the Russian Ambassador at Washington, presenting it anew on July 1 of the present year.

The Democratic platform trades upon Republican measures in many of its features. For example, it pledges the party to insist upon equal protection abroad of all American citizens, whether native or naturalized, and demands that negotiations be begun to secure equal treatment of all Americans from those foreign governments which do not now accord it.

On March 27, 1899, Secretary Hay sent a circular instruction to all the diplomatic and consular officers of the United States, in which he said:

"This Government does not discriminate between native-born and naturalized citizens in according them protection while they are abroad, equality of treatment being required by the laws of the United States (Secs. 1999 and 2000 R. S.)." and later in the same circular: "It is not to be understood by this that naturalized American citizens returning to the country of their origin are to be refused the protection of a passport. On the contrary, full protection should be accorded to them, until they manifest an effectual abandonment of their residence and domicile in the United States." (See Foreign Relations of the United States, 1902, p. 1.) These orders to our agents abroad have been repeated



again and again, and are as well known to them as any other fundamental rule of conduct laid down for them.

Sections 1999 and 2000 of the Revised Statutes of the United States to which Secretary Hay alludes declare that the right of expatriation is an inherent right of all men, and that "all naturalized citizens of the United States, while in foreign countries, are entitled to and shall receive from this Government the same protection of persons and property which is accorded to native-born citizens." Both of these laws were passed in 1868 by a Republican Congress.

The platform also says: "We demand that all over the world a duly authenticated passport issued by the Government of the United States shall be proof of the fact that he is an American citizen and shall entitle him to the treatment due him as such."

In 1897, when John Sherman was Secretary of State, there was printed by the State Department for its own use and that of American diplomatic and consular officers a handbook entitled "The American Passport," in which on page 106 the following language occurs: "A passport is *prima facie* evidence that the person holding it, while traveling abroad, is a citizen of the United States; and the agents of foreign governments are expected to so receive it."

This merely stated a standing rule as old as the passport itself and insisted upon again and again by Republican Secretaries of State.

You cannot get consumers through the mints; you get them through the factories.—Maj. McKinley to delegation of farmers, Aug. 24, 1896.

Every dollar sent abroad to purchase goods that we can produce at home makes us a dollar the poorer.—H. K. Thurber, in the *American Economist*.

Protection brings together diversified industries which never fail to vastly increase the personal intelligence, industry, and wage earnings of the people.—Hon. Justin S. Morrill.

The mechanism of modern business is tremendous in its size and complexity, and ignorant intermeddling with it would be disastrous.—President Roosevelt at Cincinnati, Ohio, September 20, 1902.

I believe it is a good deal better to open the mills of the United States to the labor of America than to open the mints of the United States to the silver of the world.—Maj. McKinley to his comrades of the 23d Ohio Regiment, at Canton, August 12, 1896.

The construction of the canal is now an assured fact; but most certainly it is unwise to entrust the carrying out of so momentous a policy to those who have endeavored to defeat the whole undertaking.—President Roosevelt's speech accepting 1904 nomination.

We ought to let the tariff alone; we ought to defend it against all comers for the good of the nation. We are doing more than well and need not hunt for disaster. That will come in due time.—Hon. Thos. B. Reed, in the *North American Review* for December, 1902.

Those foreign countries which have adopted protection have, in the elements by which you have been accustomed to test the prosperity of a nation, improved in a greater ratio and more rapidly than we have ourselves; and I have also to point out that this tendency, which has become so manifest in recent years, is likely, as every sensible man of business knows, to be accentuated as time goes on.—Hon. Jos. Chamberlain, at Liverpool, Oct. 27, 1903.

We are winning headship among the nations of the world because our people are able to keep their high average of individual citizenship and to show their mastery in the hard, complex, pushing life of the age. There will be fluctuations from time to time in our prosperity, but it will continue to grow just so long as we keep up this high average of individual citizenship and permit it to work out its own salvation under proper economic legislation.—President Roosevelt at Minneapolis, April 4, 1903.



THE LIFE OF HENRY WASHINGTON

BY GEORGE WASHINGTON

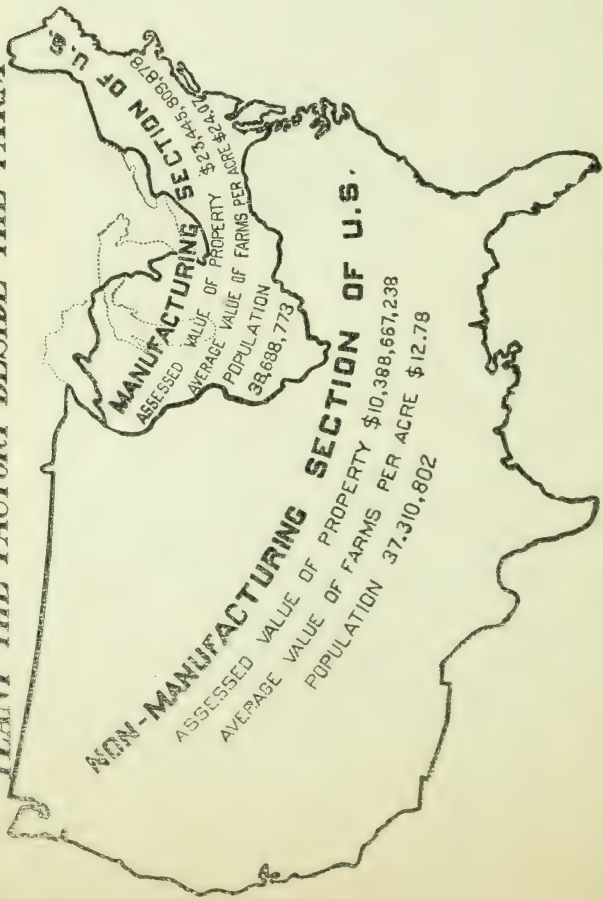
1796

Relative conditions of prosperity in the manufacturing and non-manufacturing sections of the United States, respectively.

	Manufacturing Section.	Other States.
Per cent of total population of U. S.....	50.9	49.1
Per cent of total area of U. S.....	14.1	85.9
Gross value of manufactures in 1900.....	\$10,021,718,461	\$2,988,318,053
Per cent of total Mfrs. produced in section.....	77	23
Salaries and wages paid in Mfg. in 1900.....	2,194,936,683	536,471,656
Number of persons employed in Mfg. 1900.....	4,437,714	1,273,917
Average value per acre of all farm lands.....	\$24.07	\$12.78
Average per acre of all farm lands and bldgs.....	32.50	14.85
Average value per acre of land (improved only) and buildings.....	58.60	31.65
Average value buildings per improved acre.....	15.25	5.54
Av. value of implements owned per imp'd acre.....	2.54	1.47
Average value per head of milch cows.....	33.62	27.46
Average value per head of horses.....	60.87	43.32
Av. value of all farm prdcts, per imprvd. acre.....	141.00	101.40
Av. value of farm prdcts, per person engaged.....	619.25	394.50
Deposits in savings banks, total.....	\$2,200,439,838	249,108,047
Deposits in savings banks, per capita.....	56.90	6.67
Deposits in all banks, total.....	5,949,984,845	1,384,666,395
Deposits in all banks, per capita.....	153.80	37.10
Bank clearings, total.....	76,356,970,422	8,225,479,659
Bank clearings, average per capita.....	1,973.50	220.40
Banking resources, total.....	8,613,200,000	2,167,500,000
Banking resources, average per capita.....	222.65	58.10
Real and personal property, assessed valuation.....	23,445,809,898	10,388,667,238
Real and personal property, per capita.....	606.25	278.50
Salaries paid teachers in public schools.....	85,234,961	52,452,785
Newspapers published, No.....	9,151	9,075
Newspapers, aggregate circulation.....	6,168,125,616	2,000,023,133

\*Manufacturing section includes area north of the Potomac and Ohio, and east of the Mississippi, viz., the New England and Middle States, and Maryland, District of Columbia, Ohio, Indiana, Illinois, Michigan and Wisconsin.

“PLANT THE FACTORY BESIDE THE FARM”



## SPEECH OF HON. WM. JENNINGS BRYAN

At Chicago, April 23, 1904, on Judge Parker and the Albany Platform.

"As it is somewhat unusual for a political speech to be made as this one is to-night, let me preface my remarks with an explanation. I have hired this hall and I introduced myself because I do not care to speak under the auspices of any club or organization which is committed to any particular aspirant for office. My concern is not about the name or the personality of the nominee, but about the principles for which the Democratic party is to stand. While many of the papers seem to assume that the contest for the Democratic nomination is necessarily between Judge Parker and Mr. Hearst, and that every Democrat must either be for one or the other, such a position is illogical and without foundation.

"Those who are classed as reorganizers—and by that I mean those who would carry the party back to the position that it occupied under Mr. Cleveland's Administration—are not entirely agreed among themselves as to the proper candidate upon whom to concentrate their votes, and so those who are in sympathy with the spirit of our recent platforms may differ as to the relative availability of those who represent the progressive element of the party. My own position is one of neutrality. I regard as available all candidates who are in favor of making the Democratic party an honest, earnest, and courageous exponent of the rights and interests of the masses; and I regard as unavailable all who are in sympathy with or obligated to the great corporations that to-day dominate the policy of the Republican party and seek through the reorganizers to dominate the policy of the Democratic party. I have no favorites among those on our side and no special antagonism to those who represent the reorganizers. I believe that the line should be drawn between principles, not between men, and that men should only be considered as they may be able to advance or retard the progress of Democracy.

### WANTS A LARGE AUDIENCE.

"I have come to Chicago because from this point I can reach a large number of voters in the Mississippi Valley and I have expressed a desire to have the ministers attend, because they can and should exert an influence in behalf of honesty and fairness in politics. When, some two years ago, I became satisfied that ex-Senator David B. Hill was planning to be a candidate I pointed out the objections to his candidacy. When the Cleveland boom was launched I pointed out the objections to his candidacy, and now that Mr. Parker seems to be the leading candidate (though not the only candidate) among the reorganizers, I desire to present some reasons why he can not be considered as an available candidate for a Democratic nomination, and I find these reasons not in his personality; but in his position upon public questions. For a year he has been urged to speak out and declare himself upon the important issues of the coming campaign, but he has remained silent.

"If this silence meant that nobody knew his views, those who have been loyal to the party in recent years would stand upon an equal footing with those who deserted, but it is evident now that while to the public generally his views are unknown they are well known to those who are urging his nomination. Whatever doubt may have existed on this subject heretofore has been dispelled by the platform adopted by the New York State convention, and taking this platform as a text I am sanguine enough to believe that I can prove to every unbiased mind that Judge Parker is not a fit man to be nominated either by the Democratic party or by any other party that stands for honesty and fair dealing in politics. I can not hope to convince those who favor deception and fraud in politics, but I am satisfied that we now have evidence sufficient to convict Judge Parker of absolute unfitness for the nomination. If he did not know of the platform in advance, if he did not himself dictate it or agree to it, he has allowed it to go out as his utterance, for the convention was dominated by his friends and adopted a resolution presenting him as the candidate of the state.

### DISCUSSES NEW YORK PLATFORM.

"This platform, then, can fairly be regarded as his declaration upon public questions, and what does the platform say? The first plank reads:

"This is a Government of laws, not of men; one law for Presidents, cabinets, and people; no usurpation; no executive encroachment upon the legislative or judicial department."

"This is a general plank that says nothing definitely. It is probably intended as a condemnation of the President's pension order, but the idea is so vaguely expressed that those who support the platform can deny that any criticism was intended if they find that such criticism is unpopular.

"The second plank reads:

"We must keep inviolate the pledges of our treaties; we must renew and reinvigorate within ourselves that respect for law and that love of liberty and of peace which the spirit of military domination tends inevitably to weaken and destroy."

"This is probably intended as a rebuke to the President for his action in the Panama matter, but this, too, is so indefinite that the supporters of the platform can repudiate any such intention if it ever becomes convenient to do so.



"The third plank reads:

"'Unsteady national policies and a restless spirit of adventure—engender alarms that check our commercial growth; let us have peace, to the end that business confidence may be restored and that our people may again in tranquillity enjoy the gains of their toil.'

"This possibly is intended as a criticism of the rashness of the President and of his emotional temperament, and yet it is so impersonal that those who support the platform can very plausibly insist that it has no particular reference to any person, but is intended as a very broad statement of a very general principle.

"The fourth plank reads:

"'Corporations chartered by the state must be subject to just regulation by the state in the interest of the people; taxation for public purposes only; no Government partnership with protected monopolies.'

"This plank might find a welcome place in any platform. It would be difficult to conceive of a party that would object to 'just regulations by the state in the interest of the people,' nor is there any party that is likely to defend taxation for any other than a public purpose. Even the Republican party has never declared itself in favor of 'Government partnership with protected monopolies.' The plank, therefore, has no meaning at all as it stands, unless there is a secret suggestion that the regulation of corporations must be left entirely to the states. This is the position that is taken by the trust magnates. Whenever Congress attempts to interfere with a trust the friends of the trust at once insist that the state must do the regulating. That is the position taken by the dissenting members of the Supreme Court in the merger case, and if this plank means anything it is an indorsement of the minority members of the court rather than an indorsement of the decision of the majority. The fact that the platform is silent about the merger decision lends color to this construction.

#### TAKES UP ANTITRUST PLANK.

"The fifth plank reads:

"'Opposition to trusts and combinations that oppress the people and stifle healthy industrial competition.'

"This is the antitrust plank of the platform! At least it is the only plank in which the trust is mentioned by name. The plank contains fourteen words and it will be noted that the opposition is not to all monopolies, or even to all trusts, but simply to those that 'oppress the people and stifle healthy industrial competition.' That is the position taken by Judge Brewer in his separate opinion. He contends that the Sherman law was not intended to prevent all restraint of trade, but only 'unreasonable restraint,' and so Mr. Hill and the other New York friends of Judge Parker so have worded their trust plank as to make their meaning uncertain. They have so worded the plank as to present the trust view of the question, rather than the view entertained by the people at large.

"In order to excite the opposition of the friends of Judge Parker the trust must be shown to be 'oppressive.' It must be shown that it is not only stifling industrial competition, but that it is stifling a 'healthy industrial competition.' The trust magnates claim that the object of the trust is to stifle unhealthy industrial competition and to promote a 'healthy industrial competition.' The qualifying words used in this very brief and ambiguous plank destroy whatever vitality it might have had without them. The Kansas City platform declared a private monopoly to be indefensible and intolerable. It not only arraigned private monopoly as an unmitigated evil, but it pointed out specific remedies for the destruction of this evil. Compare the Kansas City platform with the cowardly and straddling antitrust—or rather trust—plank of the New York platform and you will understand why Mr. Hill and Judge Parker are so afraid of the Kansas City platform.

"The sixth plank reads:

"'A check upon extravagance in public expenditures; that the burden of people's taxes may be lightened.'

"There is another plank that is as meaningless as those that have preceded it. Who advocates extravagance? Even when the Republican party is guilty of the largest appropriations it insists that it is not extravagant, but that it is simply legislating for a large country.

#### CALLS TARIFF PLANK EVASIVE.

"The seventh plank reads:

"'Reasonable revision of the tariff; needless duties upon imported raw material weigh upon the manufacturer, are a menace to the American wage-earner, and by increasing the cost of production shut out our products from foreign markets.'

"This plank is also evasive. The tariff revision must be 'reasonable.' What party ever advocated what it believed to be unreasonable on any subject? The duties upon raw material must not be 'needless' duties. What party ever admitted that it put needless duties on anything? This plank justifies the criticism of one of the leading Republican papers of the West, which says that the platform 'does not even dare to recommend the abandonment of the Republican doctrine of protection of home industries, which had been fondly supposed by the old-fashioned Jeffersonian fellows to be about the only thing the party dared to cheep about at St. Louis.'

"The eighth plank is as follows:

"'The maintenance of state rights and home rule; no centralization.'

"Now, here is a plank that is a model of obscurity and brevity. Only ten words in the plank. To what issue is it to be applied? How is it to be construed?

"The ninth plank reads:

"'Honesty in public service, vigilance in the prevention of fraud, firmness in the punishment of guilt when detected.'

"As President Roosevelt prides himself upon his enthusiastic advocacy of honesty in the public service, and as his friends boast of his vigilance

in the prevention of fraud and his firmness in the punishment of guilt, that plank might be regarded as an indorsement of him but for the fact that it is contained in a platform that suggests a candidate to oppose him.

#### FAILS AS TO LABOR.

"The tenth plank reads:

"The impartial maintenance of the rights of labor and of capital; no unequal discrimination; no abuse of the powers of law for favoritism or oppression."

"Senator Allison has a reputation of being able to walk on eggs without breaking them, and this plank, if it appeared anywhere else than in a Democratic platform, might be attributed to him, for it is about as nice a piece of balancing as has appeared in many a day. The party stands 'impartially' between labor and capital. If any discrimination is made it must be an 'unequal' discrimination. That is, if the party discriminates in favor of one side, it must offset it by an equal discrimination in favor of the other side. There must be no abuse of the powers of the law either for favoritism or oppression. Why this prodigality in the use of type? If the convention has said that it was in favor of doing right as between capital and labor the plank would have been just as clear and just as useful as a guide to the party. In fact, the whole platform is so noncommittal, so absolutely colorless, and so capable of being construed in any way that 'we will do right' would have answered as well for the whole platform. A Republican could run on that platform and after the election construe it as an indorsement of every policy for which the Republican party stands, or at least he could find nothing in that platform that would rebuke him for doing anything that a Republican might want to do.

"What are the issues before the country? The trust question is certainly an issue, and yet there is nothing in that platform that gives any encouragement to the opponents of the trusts. There is not a word or syllable that binds a person elected on such a platform to do anything that trusts are unwilling to have done. The Kansas City platform stated the party's position on the trust question, but the New York platform not only fails to indorse the last national platform, but also fails to propose any definite or positive plan of relief.

#### LACKS ANTI-IMPERIALISM PLANK.

"Imperialism is an issue. Our Government is now administering a colonial policy according to the political principles employed by George III a century and a quarter ago, and yet there is not in this platform a single word relating to the question of imperialism, not a plank that defines the party's position on that subject, not a protest against the surrender of the doctrines of self-government. The Kansas City platform stated the party's opposition to a colonial policy, but the New York platform not only fails to indorse the Kansas City platform, but fails to take any position on this important question.

"The labor question is an issue. The laboring men have been before the numerous committees of Congress endeavoring to secure three important measures. One is the arbitration of differences between corporations engaged in interstate commerce and their employees. Both the Chicago and Kansas City platforms declared in favor of arbitration, but the New York platform not only fails to refer to the arbitration plank of these platforms, but it fails to write a new plank covering this subject.

"The laboring men are also trying to secure an eight-hour day, but the New York platform is silent on this subject.

"The laboring men are trying to secure the abolition of government by injunction. Both the Chicago and Kansas City platforms contained planks on this subject, but the New York platform dodges this, as it does all other vital questions. As the capitalists now have what they want and are in the position of defendants in a suit, while the laboring men are in the attitude of plaintiffs seeking relief, the failure of the New York platform to advocate what the laboring men desire is really a declaration against them.

"On the tariff question no issue is joined. It was reasonable to suppose that on this question, at least, something would be said, but Mr. Hill and Judge Parker seem to be as much afraid of the tariff question as of other issues.

#### SILENT AS TO MONEY.

"The money question is ignored entirely. No reference is made to bimetalism at any ratio—not even to international bimetalism to what Mr. Hill seemed to be so attached in the Chicago convention. No reference is made to the measure now before Congress to melt up nearly 600,000,000 legal tender silver dollars into subsidiary coin that is only a limited legal tender. Nothing is said about the asset currency which is a part of the scheme of the financiers. Nothing is said about the Aldrich bill which proposes to subsidize the banks into opposition to tax reduction by loaning them the surplus money in the Treasury. There is no condemnation of the corruption that such a system would lead to. The platform does not antagonize the proposition now before Congress to give the national banks unlimited control over the volume of paper money. In other words, there is not a line in the platform that is written in behalf of the people, not a line that will excite criticism in Wall street.

"The platform ignores the income tax; it fails to indorse the election of Senators by direct vote and also omits the plank of the Kansas City platform denouncing corporate domination in politics.

"The New York platform is a dishonest platform, fit only for a dishonest party. No one but an artful dodger would stand upon it. The submission of such a platform to the voters of a state is an insult to their intelligence, for it is intended to deceive them, and a deliberate attempt to deceive—especially so clumsy an attempt as this platform is—is a reflection upon the brains of those to whom it is submitted.



## OPPOSES EVERY REFORM.

"This platform proves that the opposition to the Kansas City platform is not opposition to silver, but opposition to every needed reform and opposition to all that the masses desire.

"I had expected that a platform prepared by Mr. Hill for Judge Parker would be evasive and lacking in frankness, but I did not conceive that any body of men calling themselves Democrats would present such a platform as a recommendation of a candidate. If we are to take the New York platform as an indication of what the next Democratic platform is to be, in case the reorganizers control the convention, then who will be able to deny the secret purpose of the reorganizers to turn the party over to predatory wealth? It is to this danger that I desire to call your attention to-night. With such a platform and a candidate who would be willing to run upon it the party could secure as large a campaign fund as the Republican party has ever secured, but in securing it it would, like the Republican party, secretly pledge the administration to a construction of the platform satisfactory to the corporations and the combinations.

## CITES H. O. HAVEMEYER.

"If you would know why the corporations contribute to campaign funds, read the testimony given by H. O. Havemeyer before the Senate committee in the spring of 1894. The answers made by Mr. Havemeyer to Senator Allen's questions are conclusive as to the purpose of the campaign contributions made by the great corporations:

"Senator Allen. Therefore you feel at liberty to contribute to both parties?

"Mr. Havemeyer. It depends. In the state of New York, where the Democratic majority is between 40,000 and 50,000, we throw it their way. In the state of Massachusetts, where the Republican party is doubtful, they probably have the call.

"Senator Allen. In the state of Massachusetts, do you contribute anything?

"Mr. Havemeyer. Very likely.

"Senator Allen. What is your best recollection as to contributions made by your company in the state of Massachusetts?

"Mr. Havemeyer. I could not name the amount.

"Senator Allen. However, in the state of New York you contribute to the Democratic party, and in the commonwealth of Massachusetts you contribute to the Republican party?

"Mr. Havemeyer. It is my impression that wherever there is a dominant party, wherever the majority is very large, that is the party that gets the contribution, because that is the party which controls the local matters.

"Senator Allen. Then the sugar trust is a Democrat in a Democratic state and a Republican in a Republican state?

"Mr. Havemeyer. As far as local matters are concerned, I think that is about it.

"Senator Allen. In the state of your nativity, or the nativity of your corporation, New Jersey, where do your contributions go?

"Mr. Havemeyer. I will have to look that up.

"Senator Allen. I understand New Jersey is invariably a Democratic state. It would naturally go to the Democratic party?

"Mr. Havemeyer. Under the theory I have suggested if they were there it would naturally go to them."

"Here we have the head of the sugar trust admitting that his corporation contributes to campaign funds and that its contribution is determined, not by political convictions, but by its desire to stand in with the winning party. Senator Allen tried to ascertain the amounts contributed to the various campaign funds, but Mr. Havemeyer refused to answer.

## DEMOCRATS BLOCK INQUIRY.

"The two Republican members of the committee, Senator Davis and Senator Lodge, joined Senator Allen in calling the matter to the attention of the Attorney-General for the District of Columbia. Senator Allen individually reported a resolution in favor of calling the witness before the Senate for contempt, but Senator Gray and Senator Lindsay, both gold Democrats, presented a minority report in which they opposed taking any action in regard to the witness.

"If you desire further testimony in regard to the purpose of corporations in contributing, you will find it in a letter sent by A. B. Hepburn, of the National City Bank, of New York, to Lyman J. Gage, Secretary of the Treasury. The letter bears date of June 5, 1897, and is published in House document 264 of the first session of the Fifty-sixth Congress. In closing the letter, after asking for deposits, Mr. Hepburn says: 'Of course the bank is very strong and if you will take the pains to look at our list of directors you will see that we also have great political claims in view of what was done in the campaign of last year.'

"Here is the president of the most influential bank in the country calling attention to political service rendered by the directors of the bank as a reason why the bank should be remembered in the distribution of Government money. Now, with the testimony of the head of one of the great trusts and the testimony of an official of one of the great banks, can anyone doubt that contributions are made by the corporations for the purpose of controlling the policy of the party after election? Can anyone doubt that with such a platform as was adopted in New York, and with a candidate whose conscience would permit him to run upon such a platform—does anyone doubt that with such a platform and candidate the party would be mortgaged beforehand to the corporations that are now using the Government as a private asset and plundering the people at will?

## DISCUSSES MERGER CASE.

"But there is another reason why the Democratic party can not afford to go before the country with an ambiguous platform and an uncertain



candidate. No matter how people may differ as to the relative importance of issues, all must recognize that the trust question to-day presents an important phase of the great conflict between plutocracy and democracy. We have recently had a Supreme Court decision on the merger case. This decision was rendered by a bare majority of one, and that one [Judge Brewer] in a separate opinion has stated his position in such a way as to leave no doubt that in the first case involving a trust he may join the minority and defeat the Sherman law. Judge Brewer construes the antitrust law to apply only to reasonable restraint of trade. He would have the court decide whether the restraint is reasonable or unreasonable. His decision, taken in connection with the dissenting opinions of Justices Fuller, Peckham, White, and Holmes, shows that the appointment of a new judge might throw the decision to the one side or the other.

"The judges of the Supreme Court are appointed by the President, and the President to be elected this fall will doubtless have the appointment of one or two, and possibly three, Supreme Court judges. If his sympathies are with the corporations he will doubtless appoint judges satisfactory to the corporations, especially if obligated to the corporations by large campaign contributions, and these judges can make it impossible to secure any remedial legislation for years to come. If four years hence the people should secure a President, a Senate, and a House opposed to private monopolies, they may find themselves unable to get any remedial legislation past the Supreme Court for several years.

"The opinion filed by Judge White and concurred in by the others denies the power of Congress over monopolies organized in a state. These dissenting judges insist that Congress has no power to regulate or restrain the creation of a monopoly within a state. It will be remembered that the decision in the Knight case, known as the sugar-trust case, turned upon that very question. It was admitted in that case that the sugar trust controlled the production of sugar, but the court held that the Sherman law did not prevent the buying up of the individual refineries, even though the product of the refineries might ultimately enter into interstate commerce.

#### MAKES STATES HELPLESS.

"The division of the Supreme Court in the merger case shows the cleavage on the trust question. The dissenting judges would deny the power of Congress to prevent a private monopoly, and when the power of Congress to destroy monopolies is denied the people are left helpless because some of the states, such as Delaware and New Jersey, find it profitable to permit the creation of these monopolies, and so long as they are created and can evade Federal laws no separate state can fully protect itself against them.

"The dissenting judges in the merger case refuse to draw a distinction between an individual and a corporation. Justice White says: 'The principle that the ownership of property is embraced within the power of Congress to regulate commerce whenever that body deems that a particular character of ownership, if allowed to continue, may restrain commerce between the states or create a monopoly thereof, is, in my opinion, in conflict with the most elementary conceptions of rights of property,' and Justices Fuller, Peckham, and Holmes concur.

"'Rights of property' are, according to the dissenting judges, supreme, and when Congress tries to prevent a monopoly it is interfering with 'the most elementary conception of the rights of property.' The issue presented to-day in the trust question, and in all the other questions with which we have to deal, is the question between human rights and so-called 'property rights,' or, more properly speaking, between ordinary people and the great corporations. Those who believe that property rights are supreme take the side of the trusts. If we have a President who is in sympathy with this theory it means that the dollar will be given consideration before the man. It means that organized wealth can continue to trample upon the rights of the people. It means that the instrumentalities of government can be used for the protection of every scheme of exploitation that the capitalists can conceive.

"I for one am not willing that the Democratic party shall become the tool of the corporations. I am not willing that it shall be the champion of organized wealth. And it is because I believe that the party has a higher mission than to be the exponent of plutocracy that I am protesting against the schemes of those who would put it into competition with the Republican party for the support of Wall street financiers. It is for this reason that I protest against mortgaging the party to the capitalists to secure an enormous corruption fund.

"If any who are present to-night or who read what I say think that I am trying to interfere with Democratic success, let me answer that no Democrat is more anxious for the party to succeed than I am. No one has suffered more from dissensions and divisions in the party, and no one, I believe, is more eager for the country to enjoy the great benefits which a triumph of real Democracy would bring. But I do not desire that the party shall win offices only. If that is the only purpose of the party, let its principles be abandoned and let its platform simply declare the party hungry for the patronage. The lesson of 1894 shows the folly of hoping to win by a surrender to the corporations; but even if success could be bought in such a way, it would not be worth the price.

"No one can defend the Democratic party without defending its principles, and its principles ought to be so clearly set forth as to be easily understood. We ought to appeal to the conscience of the public and arraign Republican policies as hostile both to the principles of free government and to the principles of morality. We have an opportunity to make the Democratic party a power in this country, not only a power, but a power for good. Let us array the party against every abuse of government and against every policy that is hurtful to the people. Let us drive out of the party every Democrat who betrays his trust, every official who would administer the office for his private advantage. Let us make Democracy stand not only for good government—for honest government—but for a government 'of the people, by the people, and for the people.'

And the first step in this direction is the adoption of a platform that recognizes the right of the people to decide public questions as well as their capacity for understanding public questions. To present a platform which is evasive and ambiguous shows that those who write the platform either distrust the people who are to act upon it or have purposes that they desire to conceal.

**CALLS PLATFORM A DISGRACE.**

"The New York platform is ambiguous, uncertain, evasive, and dishonest. It would disgrace the Democrats of the nation to adopt such a platform, and it ought to defeat as an aspirant for a Democratic nomination any man who would be willing to have it go forth as a declaration of his views on public questions. In Illinois, in Wisconsin, in Michigan, in Minnesota, in Indiana, in Ohio, and in every other state that has not acted it behooves the Democrats to arouse themselves and organize to the end that they may prevent the consummation of the schemes of the reorganizers. Their scheme begins with the deception of the rank and file of the party. It is to be followed up by the debauching of the public with a campaign fund secured from the corporations, and it is to be consummated by the betrayal of the party organization and of the country into the hands of those who are to-day menacing the liberties of the country by their exploitations of the producers of wealth."

**The tariff affects trusts only as it affects all other interests. It makes all these interests, large or small, profitable; and its benefits can be taken from the large only under penalty of taking them from the small also.—President Roosevelt at Minneapolis, Minn., April 7, 1903.**

**The general tariff policy to which, without regard to changes in detail, I believe this country to be irrevocably committed is fundamentally based upon ample recognition of the difference in labor cost here and abroad.—President Roosevelt at New York, November 11, 1902.**

**The guns that thundered off Manila and Santiago left us echoes of glory, but they also left us a legacy of duty. If we drove out a mediaeval tyranny only to make room for savage anarchy, we had better not have begun the task at all.—President Roosevelt in *The Strenuous Life*, p. 11.**

**Unreadiness for war is merely rendered more disastrous by readiness to bluster; to talk defiance and advocate a vigorous policy in words, while refusing to back up these words by deeds is cause for humiliation.—From President Roosevelt's "Washington's forgotten maxim," *American Ideals*, p. 274.**

**We freely extend the hand of welcome and of good-fellowship to every man, no matter what his creed or birthplace, who comes here honestly intent on becoming a good United States citizen like the rest of us.—President Roosevelt on "True Americanism," in his book on *American Ideals*, p. 45.**

**Corporations that are handled honestly and fairly, so far from being an evil, are a natural business evolution and make for the general prosperity of our land. We do not wish to destroy corporations, but we do wish to make them subserve the public good.—President Roosevelt at Cincinnati, Ohio, September 20, 1902.**

**Our aim should be to preserve the policy of a protective tariff, in which the nation as a whole has acquiesced, and yet wherever and whenever necessary to change the duties in particular paragraphs or schedules as matters of legislative detail if such change is demanded by the interests of the nation as a whole.—President Roosevelt at Minneapolis, Minn., April 4, 1903.**

**If necessary for our welfare, then of course Congress must consider the question of changing the laws as a whole or changing any given rates of duty, but we must remember that whenever even a single schedule is considered some interests will appear to demand a change in almost every schedule in the law; and when it comes to upsetting the schedules generally the effect upon the business interests of the country would be ruinous.—President Roosevelt at Minneapolis, April 4, 1903.**



## PRESIDENT ROOSEVELT TO NOTIFICATION COMMITTEE.

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**Speech Delivered at Oyster Bay, New York, July 26, 1904, Accepting the Republican Nomination for the Presidency.**

MR. SPEAKER AND GENTLEMEN OF THE NOTIFICATION COMMITTEE: I am deeply sensible of the high honor conferred upon me by the representatives of the Republican party assembled in convention, and I accept the nomination for the Presidency with solemn realization of the obligations I assume. I heartily approve the declaration of principles which the Republican National Convention has adopted, and at some future day I shall communicate to you, Mr. Chairman, more at length and in detail a formal written acceptance of the nomination.

### M'KINLEY'S POLICIES SUSTAINED.

Three years ago I became President because of the death of my lamented predecessor. I then stated that it was my purpose to carry out his principles and policies for the honor and the interest of the country. To the best of my ability I have kept the promise thus made. If next November my countrymen confirm at the polls the action of the convention you represent, I shall, under Providence, continue to work with an eye single to the welfare of all our people.

### PLEDGES HAVE BEEN FULFILLED.

A party is of worth only in so far as it promotes the national interest, and every official, high or low, can serve his party best by rendering to the people the best service of which he is capable. Effective government comes only as the result of the loyal co-operation of many different persons. The members of a legislative majority, the officers in the various departments of the administration, and the legislative and executive branches as towards each other, must work together with subordination of self to the common end of successful government. We who have been entrusted with power as public servants during the past seven years of administration and legislation now come before the people content to be judged by our record of achievement. In the years that have gone by we have made the deed square with the word; and if we are continued in power we shall unswervingly follow out the great lines of public policy which the Republican party has already laid down; a public policy to which we are giving, and shall give, a united, and therefore an efficient, support.

### REPUBLICAN AND DEMOCRATIC APPEALS CONTRASTED.

In all of this we are more fortunate than our opponents, who now appeal for confidence on the ground, which some express and some seek to have confidentially understood, that if triumphant they may be trusted to prove false to every principle which in the last eight years they have laid down as vital, and to leave undisturbed those very acts of the administration because of which they ask that the administration itself be driven from power. Seemingly their present attitude as to their past record is that some of them were mistaken and others insincere. We make our appeal in a wholly different spirit. We are not constrained to keep silent on any vital question; we are divided on no vital question; our policy is continuous, and is the same for all sections and localities. There is nothing experimental about the government we ask the people to continue in power, for our performances in the past, our proved governmental efficiency, is a guarantee as to our promises for the future. Our opponents, either openly or



secretly, according to their several temperaments, now ask the people to trust their present promises in consideration of the fact that they intend to treat their past promises as null and void. We know our own minds and we have kept of the same mind for a sufficient length of time to give to our policy coherence and sanity. In such a fundamental matter as the enforcement of the law we do not have to depend upon promises, but merely to ask that our record be taken as an earnest of what we shall continue to do. In dealing with the great organization known as trusts, we do not have to explain why the laws are not enforced, but to point out that they actually have been enforced and that legislation has been enacted to increase the effectiveness of their enforcement. We do not have to propose to "turn the rascals out," for we have shown in very deed that whenever by diligent investigation a public official can be found who has betrayed his trust he will be punished to the full extent of the law without regard to whether he was appointed under a Republican or a Democratic administration. This is the efficient way to turn the rascals out and to keep them out, and it has the merit of sincerity. Moreover, the betrayals of trust in the last seven years have been insignificant in number when compared with the extent of the public service. Never has the administration of the government been on a cleaner and higher level; never has the public work of the nation been done more honestly and efficiently.

#### REPUBLICANS EVADE NO ISSUES.

Assuredly it is unwise to change the policies which have worked so well and which are now working so well. Prosperity has come at home. The national honor and interest have been upheld abroad. We have placed the finances of the nation upon a sound gold basis. We have done this with the aid of many who were formerly our opponents, but who would neither openly support nor silently acquiesce in the heresy of unsound finance; and we have done it against the convinced, the violent opposition of the mass of our present opponents who still refuse to recant the unsound opinions which for the moment they think it inexpedient to assert. We know what we mean when we speak of an honest and stable currency. We mean the same thing from year to year. We do not have to avoid a definite and conclusive committal on the most important issue which has recently been before the people, and which may at any time in the near future be before them again. Upon the principles which underlie this issue the convictions of half of our number do not clash with those of the other half. So long as the Republican party is in power the gold standard is settled, not as a matter of temporary political expediency, not because of shifting conditions in the production of gold in certain mining centers, but in accordance with what we regard as the fundamental principles of national morality and wisdom.

#### GOVERNMENT FINANCES IN A SATISFACTORY CONDITION.

Under the financial legislation which we have enacted there is now ample circulation for every business need; and every dollar of this circulation is worth a dollar in gold. We have reduced the interest-bearing debt and in still larger measure the interest on that debt. All of the war taxes imposed during the Spanish war have been removed with a view to relieve the people and to prevent the accumulation of an unnecessary surplus. The result is that hardly ever before have the expenditures and income of the Government so closely corresponded. In the fiscal year that has just closed the excess of income over the ordinary expenditures was nine millions of dollars. This does not take account of the fifty millions expended out of the accumulated surplus for the purchase of the isthmian canal. It is an extraordinary proof of the sound financial condition of the nation that instead of following the usual course in such matters and throwing the burden upon posterity by an issue of bonds, we were able to make the payment outright, and yet after it to have in the treasury a surplus of one hundred and sixty-one millions. Moreover, we were able to pay this fifty millions of dollars out of hand without causing the slightest disturbance to business conditions.

## PROTECTIVE PRINCIPLE MUST BE MAINTAINED.

We have enacted a tariff law under which during the past few years the country has attained a height of material well-being never before reached. Wages are higher than ever before. That whenever the need arises there should be a readjustment of the tariff schedules is undoubted; but such changes can with safety be made only by those whose devotion to the principle of a protective tariff is beyond question; for otherwise the changes would amount not to readjustment but to repeal. The readjustment when made must maintain and not destroy the protective principle. To the farmer, the merchant, the manufacturer this is vital; but perhaps no other man is so much interested as the wage-worker in the maintenance of our present economic system, both as regards the finances and the tariff. The standard of living of our wage-workers is higher than that of any other country, and it cannot so remain unless we have a protective tariff which shall always keep as a minimum rate of duty sufficient to cover the difference between the labor cost here and abroad. Those who, like our opponents, "denounce protection as a robbery," thereby explicitly commit themselves to the proposition that if they were to revise the tariff no heed would be paid to the necessity of meeting this difference between the standards of living for wage-workers here and in other countries; and therefore on this point their antagonism to our position is fundamental. Here again we ask that their promises and ours be judged by what has been done in the immediate past. We ask that sober and sensible men compare the workings of the present tariff law and the conditions which obtain under it with the workings of the preceding tariff law of 1893 and the conditions which that tariff of 1893 helped to bring about.

## M'KINLEY RECIPROCITY APPROVED.

We believe in reciprocity with foreign nations on the terms outlined in President McKinley's last speech, which urged the extension of our foreign markets by reciprocal agreements whenever they could be made without injury to American industry and labor. It is a singular fact that the only great reciprocity treaty recently adopted—that with Cuba—was finally opposed almost alone by the representatives of the very party which now states that it favors reciprocity. And here again we ask that the worth of our words be judged by comparing their deeds with ours. On this Cuban reciprocity treaty there were at the outset grave differences of opinion among ourselves; and the notable thing in the negotiation and ratification of the treaty, and in the legislation which carried it into effect, was the highly practical manner in which, without sacrifice of principle, these differences of opinion were reconciled. There was no rupture of a great party, but an excellent practical outcome, the result of the harmonious cooperation of two successive Presidents and two successive Congresses. This is an illustration of the governing capacity which entitles us to the confidence of the people, not only in our purposes but in our practical ability to achieve those purposes. Judging by the history of the last twelve years, down to this very month, is there justification for believing that under similar circumstances and with similar initial differences of opinion, our opponents would have achieved any practical result?

## EQUAL JUSTICE TO LABOR AND CAPITAL.

We have already shown in actual fact that our policy is to do fair and equal justice to all men, paying no heed to whether a man is rich or poor; paying no heed to his race, his creed, or his birthplace.

We recognize the organization of capital and the organization of labor as natural outcomes of our industrial system. Each kind of organization is to be favored so long as it acts in a spirit of justice and of regard for the rights of others. Each is to be granted the full protection of the law, and each in turn is to be held to a strict obedience to the law; for no man is above it and no man below it. The humblest individual is to have his rights safeguarded as scrupulously as those of the strongest organization, for each is to receive justice, no more and no less. The



problems with which we have to deal in our modern industrial and social life are manifold; but the spirit in which it is necessary to approach their solution is simply the spirit of honesty, of courage, and of common sense.

#### IRRIGATION.

In inaugurating the great work of irrigation in the west the administration has been enabled by Congress to take one of the longest strides ever taken under our Government toward utilizing our vast national domain for the settler, the actual home-maker.

#### PANAMA CANAL RECORD AN HONORABLE ONE.

Ever since this continent was discovered the need of an isthmian canal to connect the Pacific and the Atlantic has been recognized; and ever since the birth of our nation such a canal has been planned. At last the dream has become a reality. The isthmian canal is now being built by the Government of the United States. We conducted the negotiation for its construction with the nicest and most scrupulous honor, and in a spirit of the largest generosity toward those through whose territory it was to run. Every sinister effort which could be devised by the spirit of faction or the spirit of self-interest was made in order to defeat the treaty with Panama and thereby prevent the consummation of this work. The construction of the canal is now an assured fact; but most certainly it is unwise to entrust the carrying out of so momentous a policy to those who have endeavored to defeat the whole undertaking.

#### FOREIGN POLICY COMMANDS RESPECT.

Our foreign policy has been so conducted that while not one of our just claims has been sacrificed our relations with all foreign nations are now of the most peaceful kind; there is not a cloud on the horizon. The last cause of irritation between us and any other nation was removed by the settlement of the Alaskan boundary.

In the Caribbean Sea we have made good our promises of independence to Cuba, and have proved our assertion that our mission in the island was one of justice and not of self-aggrandizement; and thereby no less than by our action in Venezuela and Panama we have shown that the Monroe Doctrine is a living reality, designed for the hurt of no nation, but for the protection of civilization on the western continent and for the peace of the world. Our steady growth in power has gone hand in hand with a strengthening disposition to use this power with strict regard for the rights of others, and for the cause of international justice and good-will.

We earnestly desire friendship with all the nations of the new and old worlds; and we endeavor to place our relations with them upon a basis of reciprocal advantage instead of hostility. We hold that the prosperity of each nation is an aid and not a hindrance to the prosperity of other nations. We seek international amity for the same reasons that make us believe in peace within our own borders; and we seek this peace not because we are afraid or unready, but because we think that peace is right as well as advantageous.

American interests in the Pacific have rapidly grown. American enterprise has laid a cable across this, the greatest of oceans. We have proved in effective fashion that we wish the Chinese Empire well and desire its integrity and independence.

#### THE PHILIPPINE POLICY.

Our foothold in the Philippines greatly strengthens our position in the competition for the trade of the east; but we are governing the Philippines in the interest of the Philippine people themselves. We have already given them a large share in their government, and our purpose is to increase this share as rapidly as they give evidence of increasing fitness for the task. The great majority of the officials of the islands, whether elective or appointive, are already native Filipinos. We are now providing for



a legislative assembly. This is the first step to be taken in the future; and it would be eminently unwise to declare what our next step will be until this first step has been taken and the results are manifest. To have gone faster than we have already gone in giving the islanders a constantly increasing measure of self-government would have been disastrous. At the present moment to give political independence to the islands would result in the immediate loss of civil rights, personal liberty and public order, as regards the mass of the Filipinos, for the majority of the islanders have been given these great boons by us and only keep them because we vigilantly safeguard and guarantee them. To withdraw our government from the islands at this time would mean to the average native the loss of his barely-won civil freedom. We have established in the islands a government by Americans assisted by Filipinos. We are steadily striving to transform this into self-government by the Filipinos assisted by Americans.

#### CONTENT TO STAND OR FALL BY RECORD MADE.

The principles which we uphold should appeal to all our countrymen, in all portions of our country. Above all they should give us strength with the men and women who are the spiritual heirs of those who upheld the hands of Abraham Lincoln; for we are striving to do our work in the spirit with which Lincoln approached his. During the seven years that have just passed there is no duty, domestic or foreign, which we have shirked; no necessary task which we have feared to undertake, or which we have not performed with reasonable efficiency. We have never pleaded impotence. We have never sought refuge in criticism and complaint instead of action. We face the future with our past and our present as guarantors of our promises; and we are content to stand or to fall by the record which we have made and are making.

### SENATOR FAIRBANKS TO NOTIFICATION COMMITTEE.

*Mr. Root and Gentlemen of the Committee:*

I thank you for the very generous terms in which you have conveyed the official notification of my nomination for Vice President of the United States. The unsolicited and unanimous nomination by the Republican party is a call to duty which I am pleased to obey.

I accept the commission which you bring with a profound sense of the dignity and responsibilities of the exalted position for which I have been nominated. My utmost endeavor will be to discharge in full measure the trust, if the action of the convention shall meet the approval of the American people.

#### THE PLATFORM.

The platform adopted by the convention is an explicit and emphatic declaration of principles in entire harmony with those policies of our party which have brought great honor and prosperity to our common country, and which, if continued, will bring us like blessings in the future.

#### THE MONETARY POLICY.

The monetary and economic policies which have been so forcibly reannounced, lie at the very foundation of our industrial life, and are essential to the fullest development of our national strength. They give vitality to our manufactures and commerce, and if impaired or overthrown, there would inevitably ensue a period of industrial depression, to the serious injury of the vast interests of both labor and capital.

The Republican party, since it preserved the integrity of the Republic and gave freedom to the oppressed, never rendered a more important service to the country than when it established the gold standard. Under it we have increased our currency supply sufficiently to meet the normal requirements of business. It is gratifying that the convention made frank and explicit declaration of the inflexible purpose of the party to maintain the

gold standard. It is essential not only that the standard should be as good as the best in the world, but that the people should have the assurance that it will be so maintained.

The enemies of sound money were powerful enough to suppress mention of the gold standard in the platform lately adopted by the Democratic national convention. The leader of Democracy in two great national campaigns has declared since the adjournment of the convention that as soon as the election is over, he will undertake to organize the forces within the Democratic party for the next national contest, for the purpose of advancing the radical policies for which his element of the party stands. He frankly says that the money question is for the present "in abeyance." In view of these palpable facts, it is not the part of wisdom to abandon our vigilance in safeguarding the integrity of our monetary system. We must have not only a President who is unalterably committed to the gold standard, but both Houses of Congress in entire accord with him upon the subject.

In Congress and not with the President rests the supreme power to determine the standard of our money. Though the Chief Executive should oppose, the Congress, acting within its independent constitutional authority, could at any time overthrow or change the monetary standard.

#### THE PROTECTIVE POLICY.

The wisdom of our protective policy finds complete justification in the industrial development of the country. This policy has become a most vital part of our industrial system and must be maintained unimpaired. When altered conditions make changes in schedules desirable, their modification can be safely entrusted to the Republican party. If they are to be changed by the enemies of the system along free trade lines, uncertainty would take the place of certainty, and a reaction would surely follow to the injury of the wage earners and all who are now profitably employed. Uncertainty undermines confidence and loss of confidence breeds confusion and distress in commercial affairs.

#### PRESIDENT ROOSEVELT'S RECORD.

The convention was wise not only in its enunciation of party policies, but in its nomination of a candidate for the Presidency. During the last three years, President Roosevelt has been confronted with large and serious questions. These he has met and solved with high wisdom and courage. The charges made against him in the Democratic platform find an irrefutable answer in his splendid administration, never surpassed in all the history of the Republic, and never equalled by the party which seeks to discredit it.

The election of the President is imperatively demanded by those whose success depends upon the continuance of a safe, conservative and efficient administration of public affairs.

#### RECORD OF THE REPUBLICAN PARTY.

We have an ample record of deeds done, of beneficent things accomplished in the public interest. The vast business of the government has been well administered. The laws have been enforced fearlessly and impartially. The treasury has been adequately supplied with revenue and the financial credit of the government was never better. Our foreign trade balance continues to increase our national wealth. We have adopted an irrigation policy which will build homes in the arid regions of the west. The Panama canal, the hope of centuries, is in course of construction, under the sole protection of the American flag.

We have peace and great prosperity at home and are upon terms of good neighborhood with the entire world. These conditions constitute the strongest possible assurance for the future.

Later I shall avail myself of a favorable opportunity to submit to you, and through you, to my fellow citizens, a fuller expression of my views concerning the question now in issue.

Permit me again to thank you and to express the belief that we may confidently submit our cause to the candid and patriotic judgment of our countrymen.

## JUDGE PARKER TO NOTIFICATION COMMITTEE.

Speech Delivered at Esopus, N. Y., August 10th, 1904, Accepting the Democratic Nomination for the Presidency.

*Mr. Chairman and Gentlemen of the Committee:*

I have resigned the office of chief judge of the Court of Appeals of this State in order that I may accept the responsibility that the great convention you represent has put upon me, without possible prejudice to the court to which I had the honor to belong, or to the eminent members of the judiciary of this State, of whom I may now say as a private citizen I am justly proud.

At the very threshold of this response and before dealing with other subjects, I must, in justice to myself and to relieve my sense of gratitude, express my profound appreciation of the confidence reposed in me by the convention. After nominating me and subsequently receiving a communication declaring that I regarded the gold standard as firmly and irrevocably established, a matter concerning which I felt it incumbent upon me to make known my attitude so that hereafter no man could justly say that his support had been secured through indirection or mistake, the convention reiterated its determination that I should be the standard bearer of the party in the present contest. This mark of trust and confidence I shall ever esteem as the highest honor that could be conferred upon me—an honor that, whatever may be the fate of the campaign, the future can in no degree lessen or impair.

The admirable platform upon which the party appeals to the country for its confidence and support clearly states the principles which were so well condensed in the first inaugural address of President Jefferson, and points out with force and directness the course to be pursued through their proper application in order to insure needed reforms in both the legislative and administrative departments of the Government. While unhesitating in its promise to correct abuses and to right wrongs wherever they appear or however caused; to investigate the several administrative departments of the Government, the conduct of whose officials has created scandals, and to punish those who have been guilty of a breach of their trust; to oppose the granting of special privileges by which the few may profit of the expense of the many; to practice economy in the expenditure of the moneys of the people, and to that end to return once more to the methods of the founders of the republic by observing in disbursing the public funds the care and caution a prudent individual observes with respect to his own; still the spirit of the platform assures conservative, instead of rash action; the protection of the innocent as well as the punishment of the guilty; the encouragement of industry, economy and thrift; the protection of property and a guarantee of the enforcement for the benefit of all of man's inalienable rights, among which, as said in the Declaration of Independence, are "life, liberty and the pursuit of happiness." Liberty, as understood in this country, means not only the right of freedom from actual servitude, imprisonment or restraint, but the right of one to use his faculties in all lawful ways, to live and work where he will and to pursue any lawful trade or business. These essential rights of life, liberty and property are not only guaranteed to the citizen by the Constitution of each of the several states, but the states are by the Fourteenth Amendment to the Constitution of the United States forbidden to deprive any person of any one of them without due process of law.

### THE CONSTITUTION.

Occasionally, by reason of unnecessary or impatient agitation for reforms, or because the limitations placed upon the departments of government by the Constitution are disregarded by officials desiring to accomplish that which to them seems good, whether the power exists in them or not, it becomes desirable to call attention to the fact that the people, in whom all power resides, have seen fit, through the medium of the Constitution, to limit the governmental powers conferred and to say to departments created by it: "Thus far shalt thou go and no farther." To



secure the ends sought the people have by the Constitution separated and distributed among the three departments of government—the executive, legislative and judicial—certain powers, and it is the duty of those administering each department so to act as to preserve, rather than to destroy, the potency of the co-ordinate branches of the government, and thus secure the exercise of all the powers conferred by the people.

Thomas Jefferson, in a letter to William C. Jarvis, touching the perpetuity of our institutions, written many years after he had retired to private life, said: "If the three powers of our government maintain their mutual independence of each other, it may last long, but not so if either can assume the authority of the other." It must be confessed that in the course of our history executives have employed powers not belonging to them; statutes have been passed that were expressly forbidden by the Constitution and statutes have been set aside as unconstitutional when it was difficult to point out the provisions said to be offended against in their enactment; all this has been done with a good purpose, no doubt, but in disregard, nevertheless, of the fact that ours is a government of laws, not of men, deriving its "just powers from the consent of the governed." If we would have our government continue during the ages to come, for the benefit of those who shall succeed us, we must ever be on our guard against the danger of usurpation of that authority which resides in the whole people, whether the usurpation be by officials representing one of the three great departments of government, or by a body of men acting without a commission from the people.

Impatience of the restraints of law, as well as of its delays, is becoming more and more manifest from day to day. Within the past few years many instances have been brought to our attention, where in different parts of our beloved country supposed criminals have been seized and punished by a mob, notwithstanding the fact that the Constitution of each State guarantees to every person within its jurisdiction that his life, his liberty or his property shall not be taken from him without due process of law.

In a struggle between employers and employees, dynamite is said to have been used by the latter, resulting in the loss of life and the destruction of property. The perpetrators of this offense against the laws of God and man, and all others engaged in the conspiracy with them, should, after due trial and conviction, have had meted out to them the most rigorous punishment known to the law. This crime, added perhaps to others, led to the formation of a committee of citizens that, with the support of the military authority, deports from the State, without trial, persons suspected of belonging to the organization of which the perpetrators of the dynamite outrages were supposed to be members. In both cases the reign of law gave way to the reign of force. These illustrations present some evidence of the failure of government to protect the citizen and his property, which not only justified the action of your convention in this regard, but made it its duty to call attention to the fact that Constitutional guarantees are violated whenever any citizen is denied the right to labor, to acquire and to enjoy property, or to reside where his interests or inclination may determine; and the fulfillment of the assurance to rebuke and punish all denials of these rights, whether brought about by individuals or government agencies, should be enforced by every official and supported by every citizen. The essence of good government lies in strict observance of constitutional limitations, enforcement of law and order and rugged opposition to all encroachment upon the sovereignty of the people.

The foregoing suggestions but emphasize the distinction which exists between our own and many other forms of government. It has been well said, in substance, that there are but two powers in government, one the power of the sword, sustained by the hand that wields it, and the other the power of the law, sustained by an enlightened public sentiment. The difference in these powers is the difference between a republic—such as ours, based on law and a written constitution, supported by intelligence, virtue and patriotism—and a monarchy—sustained by force exerted by an individual, uncontrolled by laws other than those made or sanctioned by him; one represents Constitutionalism, the other Imperialism.

#### THE TARIFF.

The present tariff law is unjust in its operation, excessive in many of its rates and so framed in particular instances as to exact inordinate profits from the people. So well understood has this view become that many prominent members of the Republican party, and at least two of its State conventions, have dared to voice the general sentiment on that subject. That party seems, however, to be collectively able to harmonize only upon a plank that admits that revision may from time to time be necessary, but it is so phrased that it is expected to be satisfactory to those in favor of an increase of duty, to those who favor a reduction thereof, and to those opposed to any change whatever.

Judged by the record of performance, rather than that of promise, on the part of that party in the past, it would seem as if the outcome, in the event of its success, would be to gratify the latter class. With absolute control of both the Legislative and executive departments of the government since March 4th, 1897, there has been neither reduction nor an attempt at reduction in tariff duties. It is not unreasonable to assume, in the light of that record, that a future Congress of that party will not undertake a revision of the tariff downward in the event that it shall receive an endorsement of its past course on that subject by the people. It is a fact and should be frankly conceded though our party be successful in the coming contest we cannot hope to secure a majority in the Senate during the next four years, and hence we shall be unable to secure any modification in the tariff save that to which the Republican majority in the Senate may consent. While, therefore, we are unable to give assurances of relief to the people from such excessive duties as burden them, it is due to them that we should state our position to be in

favor of a reasonable reduction of the tariff; that we believe that it is demanded by the best interests of both manufacturer and consumer, and that a wise and beneficent revision of the tariff can be accomplished as soon as both branches of Congress and an executive in favor of it are elected, without creating that sense of uncertainty and instability that has on other occasions manifested itself. This can be achieved by providing that such a reasonable period shall intervene, between the date of the enactment of the statute making a revision and the date of its enforcement, as shall be deemed sufficient for the industry or business affected by such revision to adjust itself to the changes and new conditions imposed. So confident am I in the belief that the demand of the people for a reform of the tariff is just, that I indulge the hope that should a Democratic House of Representatives and a Democratic executive be chosen by the people, even a Republican Senate may heed the warning and consent to give at least some measure of relief to the people.

#### TRUSTS.

The combinations, popularly called trusts, which aim to secure a monopoly of trade in the necessities of life as well as in those things that are employed upon the farm, in the factory and in many other fields of industry, have been encouraged and stimulated by excessive tariff duties. These operate to furnish a substantial market in the necessities of eighty millions of people, by practically excluding competition. With so large a market and highly remunerative prices continuing long after the line of possible competition would naturally be reached, the temptation of all engaged in the same business to combine so as to prevent competition at home and a resulting reduction of prices, has proved irresistible in a number of cases. All men must agree that the net result of enacting laws that foster such inequitable conditions, is most unfortunate for the people as a whole, and it would seem as if all ought to agree that the effective remedy would be to appropriately modify the offending law. The growth of monopoly, of which complaint is justly made, cannot be laid at the doors of the courts of this country. The decisions of the Supreme Court of the United States, the Court of Appeals of this State and the courts of last resort in many other States, warrant the assertion that the common law as developed affords a complete legal remedy against monopolies. The fact that they have multiplied in number and increased in power has been due, not to the failure of the courts to apply the law when properly moved by administrative officials or private individuals, but to the failure of officials charged with the duty of enforcing the law to take the necessary procedure to procure the judgments of the courts in the appropriate jurisdiction, coupled with the fact that the legislative departments of some of our State governments, as well as Congress in the manner already referred to, have, by legislation, encouraged their propagation. What is needed—in addition to the passage of a statute revising the tariff duties to a reasonable basis—is not so much other and different laws, as officials having both the disposition and the courage to enforce existing law. While this is my view of the scope of the common law, if it should be made to appear that it is a mistaken one, then I favor such further legislation within constitutional limitations as will give the people a just and full measure of protection.

#### THE PHILIPPINES.

It is difficult to understand how any citizen of the United States, much less a descendant of Revolutionary stock, can tolerate the thought of permanently denying the right of self-government to the Filipinos. Can we hope to instill into the minds of our descendants reverence and devotion for a government by the people, while denying ultimately that right to the inhabitants of distant countries, whose territory we have acquired either by purchase or by force? Can we say to the Filipinos, "Your lives, your liberty, and your property may be taken from you without due process of law for all time," and expect we will long glory in that feature of Magna Charta, which has become incorporated, in substance and effect, into the constitution of every state, as well as into the Fourteenth Amendment to the Constitution of the United States? Can we hope for the respect of the civilized world, while proudly guaranteeing to every citizen of the United States that no law shall be made or enforced which shall abridge the privileges or immunities of citizens of the United States, or deny to any person the equal protection of the laws, and at the same time not only deny similar rights to the inhabitants of the Philippines, but take away from them the right of trial by jury, and place their lives and the disposition of their property in the keeping of those whom we send to them to be their governors? We shall certainly rue it as a nation if we make any such attempt. Viewing the question even from the standpoint of national selfishness, there is no prospect that the twenty millions of dollars expended in the purchase of the islands and the six hundred and fifty millions said to have been since disbursed will ever come back to us. The accident of war brought the Philippines into our possession and we are not at liberty to disregard the responsibility which thus came to us, but that responsibility will be best subserved by preparing the islanders as rapidly as possible for self-government and giving to them the assurances that it will come as soon as they are reasonably prepared for it. There need be no fear that the assertion so often made of late, that we have now become a world power, will then be without support. Ours is a world power, and as such it must be maintained, but I deny that it is at all recently that the United States has attained that eminence. Our country became a world power over a century ago, when, having thrown off foreign domination, the people established a free government, the source of whose authority sprung, and was continuously to proceed, from the will of the people themselves. It grew as a world power as its sturdy citizens, to whose natural increase were added immigrants from the old world seek-



ing to obtain here the liberty and prosperity denied them in their own countries, spread over the face of the land, reduced the prairies and forests to cultivation, built cities, constructed highways and railroads, till now a nation which at the formation of the government numbered only three millions in population, has become eighty millions, and from ocean to ocean and the lakes to the gulf, the country is the abode of a free and prosperous people, advanced in the highest degree in the learning and arts of civilization. It is the liberty, the advancement, and the prosperity of its citizens, not any career of conquest, that make the country a world power. This condition we owe to the bounty of Providence, unfolded in the great natural resources of the country, to the wisdom of our fathers manifested in the form of government established by them, to the energy, industry, moral character and law-abiding spirit of the people themselves.

#### THE MILITARY

We are not a military people, bent on conquest, or engaged in extending our domains in foreign lands, or desirous of securing natural advantages, however great, by force; but a people loving peace, not only for ourselves, but for all the nations of the earth.

The display of great military armaments may please the eye and, for the moment, excite the pride of the citizen, but it cannot bring to the country the brains, brawn, and muscle of a single immigrant, nor induce the investment here of a dollar of capital. Of course such armament as may be necessary for the security of the country and the protection of the rights of its citizens, at home or abroad, must be maintained. Any other course would be not only false economy, but pusillanimous. I protest, however, against the feeling, now far too prevalent, that by reason of the commanding position we have assumed in the world, we must take part in the disputes and broils of foreign countries; and that because we have grown great we should intervene in every important question that arises in other parts of the world. I also protest against the erection of any such military establishment as would be required to maintain the country in that attitude. We should confine our international activities solely to matters in which the rights of the country or of our citizens are directly involved. That is not a situation of isolation, but of independence.

The Government of the United States was organized solely for the people of the United States. While it was contemplated that this country should become a refuge for the oppressed of every land, who might be fit to discharge the duties of our citizenship, and while we have always sympathized with the people of every nation in their struggles for self-government, the government was not created for a career of political or civilizing evangelization in foreign countries or among alien races. The most efficient work we can do in uplifting the people of other countries is by the presentation of a happy, prosperous, self-governing nation as an ideal to be emulated, a model to be followed. The general occupation of our citizens in the arts of peace, or the absence of large military armaments, tends to impair neither patriotism nor physical courage, and for the truth of this I refer the young men of today to the history of the Civil War. For 50 years, with the exception of the war with Mexico, this country had been at peace, with a standing army most of the time of less than ten thousand men. He who thinks that the nation had grown effeminate during that period should read the casualty rolls of the armies on either side at Shiloh, Antietam, Fredericksburg, and Gettysburg, at Stone River and Chickamauga. I would be the last man to pluck a single laurel from the crown of any one of the military heroes to whom this country owes so much, but I insist that their most heroic deeds proceeded infinitely more from devotion to the country than from martial spirit.

As I have already proceeded at too great length, other questions suggested in the platform must await my letter of acceptance.

Mr. Chairman, in most graceful speech you have reminded me of the great responsibility, as well as the great honor of the nomination bestowed upon me by the convention you represent this day. Be assured that both are appreciated—so keenly appreciated that I am humbled in their presence.

#### ONE TERM ONLY.

I accept, gentlemen of the committee, the nomination, and if the action of the convention shall be endorsed by an election by the people, I will, God helping me, give to the discharge of the duties of that exalted office the best service of which I am capable and at the end of the term retire to private life. I shall not be a candidate for, nor shall I accept a renomination. Several reasons might be advanced for this position, but the controlling one with me is that I am fully persuaded that no incumbent of that office should ever be placed in a situation of possible temptation to consider what the effect of action taken by him in an administrative matter of great importance might have upon his political fortunes. Questions of momentous consequence to all of the people have been in the past and will be in the future presented to the President for determination, and in approaching their consideration, as well as in weighing the facts and the arguments bearing upon them, he should be unembarrassed by any possible thought of the influence his decision may have upon anything whatever that may affect him personally. I make this statement, not in criticism of any of our Presidents from Washington down who have either held the office for two terms or sought to succeed themselves; for strong arguments can be advanced in support of the re-election of a President. It is simply my judgment that the interests of this country are now so vast and the questions presented are frequently of such overpowering magnitude to the people that it is indispensable to the maintenance of a befitting attitude before the people, not only that the Chief Magistrate should be independent but that that independence should be known of all men.



It appears that in all commercial countries export prices are at times from various causes lower than domestic prices.—Hon. E. L. Hamilton, in Congress, April 14, 1904.

The way to help labor is to provide it with steady work and good wages and then to have those good wages always paid in good money.—Maj. McKinley to delegation of workingmen, August 24, 1896.

Other nations have conquered to create irresponsible military rule. We conquer to bring just and responsible civil government to the conquered.—President Roosevelt's Memorial Day address at Arlington, May 30, 1902.

No argument is required to sustain the wisdom of a stable currency, for an unstable, fluctuating circulating medium unsettles and disturbs, and brings a train of evils which are as merciless and destructive as the ravages of war.—Hon. C. W. Fairbanks, in U. S. Senate, March 5, 1900.

Whether the standards be low or high, whether they be the standards of the hour's expediency or the standards of civilization's progress, time only can tell; but that they shall be the latter, the work of Theodore Roosevelt, as President of the United States, is more weighty than that of any one, of any score of all of his detractors put together.—Hon. Elihu Root, at New, Feb. 3, 1904.

As well might a father of a family, just started in a prosperous business with a small capital, distribute his little property equally among the poor of his neighborhood, depriving himself of the means of providing for and educating his children, as for this nation to share with the Old World every increment of power and superiority to be found in the new, assuming its burdens of mendicancy and debt, and receiving the peasant as the peer of the American citizen.—Ex-president Hill, of the University of Rochester, in the *American Economist*.

It is always safe to array yourself on the side of your country; it is always safe to stand against lawlessness and repudiation.—Maj. McKinley at Canton, Sept. 23, 1896.

Taking the work of the army and the civil authorities together, it may be questioned whether anywhere else in modern times the world has seen a better example of real constructive statesmanship than our people have given in the Philippine Islands.—President Roosevelt's annual message, second session, Fifty-seventh Congress.

Duty determines destiny. Destiny which results from duty performed may bring anxiety and perils, but never failure and dishonor. Pursuing duty may not always lead by smooth paths. Another course may look easier and more attractive, but pursuing duty for duty's sake is always sure and safe and honorable.—President McKinley at Chicago, Oct. 19, 1898.

We do well to give the sanction of the Federal law to the principle of arbitration. We should encourage a spirit of concord and mutual respect between employer and employee, between the common carriers of interstate commerce and their employees.—Hon. C. W. Fairbanks, in U. S. Senate, May 12, 1898.

I believe in the future—not in a spirit which will sit down and look for the future to work itself out, but with a determination to do its part in making the future what it can and shall be made.—President Roosevelt at Detroit, Mich., Sept. 22, 1902.

Practical politics must not be construed to mean dirty politics. On the contrary, in the long run the politics of fraud and treachery and foulness are unpractical politics, and the most practical of all politicians is the politician who is clean and decent and upright.—President Roosevelt on "The manly virtues and practical politics," *American Ideals*, p. 58.

No sophistries of subtleties can make money or create a currency which is good for one and which is not equally good for the other. The interests of labor and capital are always identical.—Hon. C. W. Fairbanks, in U. S. Senate, March 5, 1900.

Men say he is not safe. He is not safe for the men who wish to prosecute selfish schemes to public detriment.—Hon. Elihu Root, at New York, Feb. 3, 1904.

The future welfare of our nation depends upon the way in which we can combine in our men—in our young men—decency and strength.—President Roosevelt at Oyster Bay, N. Y., August 16, 1903.

You cannot help the farmer by coining more silver; he can only be helped by more consumers for his products.—Maj. McKinley to delegation of farmers, August 24, 1896.

No man is warranted in feeling pride in the deeds of the Army and Navy of the past if he does not back up the Army and the Navy of the present.—President Roosevelt at Sherman statue unveiling Oct. 15, 1903.

The problems that seemed to hang over us at the close of the war with Spain have gone far toward solution. We of America have discovered that we, too, possess the supreme governing capacity, capacity not merely to govern ourselves at home, but that great power that in all ages has made the difference between the great and the small nations, the capacity to govern men wherever they were found.—Elihu Root at Union League Club, New York, Feb. 3, 1904.

We can as little afford to tolerate a dishonest man in the public service as a coward in the army. The murderer takes a single life; the corruptionist in public life, whether he be bribe giver or bribe taker, strikes at the heart of the commonwealth.—President Roosevelt's speech at Sherman statue unveiling, Oct. 15, 1903.

And I say to you, my friends of the Union League Club, that our present President has, by fairness, by just sympathy with all his people, acquired the power to do more for the protection of the material interests, and for the spiritual interests of our country as well, than any man could ever have acquired by following the dictates of a narrow and limited view, which looked only to the speculation of the day, or the interests of particular enterprises.—Hon. Elihu Root, at New York, Feb. 3, 1904.

This is an era of great combinations both of labor and of capital. In many ways these combinations have worked for good, but they must work under the law, and the laws concerning them must be just and wise or they will inevitably do evil; and this applies as much to the richest corporation as to the most powerful labor union.—President Roosevelt at Charleston, S. C., April 9, 1902.

We cannot help labor by reducing the value of the money in which labor is paid.—Hon. Wm. McKinley to delegation of workmen, August 24, 1896.

The exposure and punishment of public corruption is an honor to a nation, not a disgrace. The disgrace lies in toleration, not in correction.—President Roosevelt's annual message, second session Fifty-seventh Congress.

The national credit is inseparably associated with our national growth and prosperity, and if you touch the latter with an unfriendly hand you will seriously injure the former.—Hon. W. McKinley, in House of Representatives, April 15, 1878.

You must face the fact that only harm will come from a proposition to attack the so-called trusts in a vindictive spirit by measures conceived solely with a desire of hurting them, without regard as to whether or not discrimination should be made between the good and evil in them, and without even any regard as to whether a necessary sequence of the action would be the hurting of other interests.—President Roosevelt at Cincinnati, Sept. 20, 1902.

Class appeals are dishonest \* \* \* ; they calculate to separate those who should be united, for our economic interests are common and indivisible.—Maj. McKinley to Commercial Traveling Men's Republican Club, September 26, 1896.

We can not have too much immigration of the right kind, and we should have none at all of the wrong kind.—President Roosevelt's annual message, second session Fifty-seventh Congress.

Not open mints for the unlimited coinage of the silver of the world, but open mills for the full and unrestricted labor of the American workingmen.—Maj. McKinley's letter of acceptance.

The empire that shifted from the Mediterranean will in the lifetime of those now children bid fair to shift once more westward to the Pacific.—President Roosevelt at San Francisco, Cal., May 13, 1903.

The price of wheat is fixed by the law of supply and demand, which is eternal; gold has not made long crops or short crops, high prices or low prices.—Maj. McKinley to Homestead workingmen, September 12, 1896.

Stout of heart, we see across the dangers the great future that lies beyond, and we rejoice as a giant refreshed, as a strong man girt for the race; and we go down into the arena where the nations strive for mastery, our hearts lifted with the faith that to us and to our children and our children's children it shall be given to make this Republic the mightiest among the peoples of mankind.—President Roosevelt at Detroit, Mich., Sept. 22, 1902.

Nothing should ever tempt us—nothing ever will tempt us—to scale down the sacred debt of the nation through a legal technicality.—President McKinley before National Association of Manufacturers, New York, Jan. 27, 1898.

Speaking broadly, it is evident that the changes in the tariff will affect the trusts for weal or for woe simply as they affect the whole country. The tariff affects trusts only as it affects all other interests. It makes all these interests, large or small, profitable; and its benefits can be taken from the large only under penalty of taking them from the small also.—President Roosevelt at Minneapolis, April 4, 1903.

Certain great trusts or great corporations are wholly unaffected by the tariff. Practically all the others that are of any importance have, as a matter of fact, numbers of smaller American competitors; and, of course, a change in the tariff which would work injury to the large corporation would work not merely injury but destruction to its smaller competitors; and equally, of course, such a change would mean disaster to all the wage-workers connected with either the large or the small corporations.—President Roosevelt at Minneapolis, April 4, 1903.

The people have no patience with those who would violate the plighted faith of the nation and stamp its obligations with dishonor.—Hon. Wm. McKinley to delegation of farmers, at Canton, September 22, 1896.

We can not afford to become fossilized or fail to recognize the fact that as the needs of the country change it may be necessary to meet these new needs by changing certain features of our tariff laws. Still less can we afford to fail to recognize the further fact that these changes must not be made until the need for them outweighs the disadvantages which may result.—President Roosevelt at Minneapolis, April 4, 1903.

It is an even graver offense to sin against the commonwealth than to sin against an individual.—Theodore Roosevelt in "American Ideals."

If we have good wages, they are better by being paid in good dollars, and if we have poor wages they are made poorer by being paid in poor dollars.—Maj. McKinley to delegation of workingmen, at Canton, 1896.

The tariff affects trusts only as it affects all other interests. It makes all these interests, large or small, profitable; and its benefits can be taken from the large only under penalty of taking them from the small also.—President Roosevelt at Minneapolis, April 4, 1903.



The question of tariff revision stands wholly apart from the question of dealing with the trusts.—President Roosevelt at Minneapolis, April 4, 1903.

No change in tariff duties can have any substantial effect in solving the so-called trust problem.—President Roosevelt at Minneapolis, April 4, 1903.

A depreciated currency would work disaster to the interests of the people and to none more than those of the workingmen and farmers.—Hon. Wm. McKinley to delegation of workingmen, July 30, 1896.

Neither our nation nor any other can stand the ruinous policy of readjusting its business to radical changes in the tariff at short intervals.—President Roosevelt at Logansport, Ind., September 23, 1902.

The way to help labor is to provide it with steady work and good wages and then to have those good wages always paid in good money.—Maj McKinley to delegation of workmen, August 24, 1896.

Peace like freedom is not a gift that tarries long in the hands of cowards, or of those too feeble or too shortsighted to deserve it.—From President Roosevelt's "Washington's forgotten maxim," *American Ideals*, p. 288.

There is general acquiescence in our present tariff system as a national policy. The first requisite to our prosperity is the continuity and stability of this economic policy. Nothing could be more unwise than to disturb the business interests of the country by any general tariff change at this time. Doubt, apprehension, uncertainty are exactly what we most wish to avoid in the interest of our commercial and material well-being.—President Roosevelt's Annual Message, Fifty-seventh Congress, first session.

From the standpoint of those interested in the solution of the trust problem such a change (tariff revision) would therefore merely mean that the trust was relieved of the competition of its weaker American competitors, and thrown only into competition with foreign competitors; and that the first effort to meet this new competition would be made by cutting down wages, and would therefore be primarily at the cost of labor. In the case of some of our greatest trusts such a change might confer upon them a positive benefit.—President Roosevelt at Minneapolis, April 4, 1903.

The employer is looking for the laborer and not the laborer for the employer, and I am glad to note, from one end of the country to the other, a universal demand for labor.—President McKinley at Milwaukee iron foundries, Oct. 17, 1899.

While striving to prevent industrial injustice at home we must not bring upon ourselves industrial weakness abroad.—Vice-President Roosevelt at opening of Pan-American Exposition, May 20, 1901.

The present phenomenal prosperity has been under a tariff which was made in accordance with certain fixed and definite principles, the most important of which is an avowed determination to protect the interests of the American producer, business man, wage-worker, and farmer alike.—President Roosevelt at Minneapolis, April 4, 1903.

This country has and this country needs better paid, better educated, better fed, and better clothed workingmen, of a higher type than are to be found in any foreign country. It has and it needs a higher, more vigorous, and more prosperous type of tillers of the soil than is possessed by any other country.—President Roosevelt at Minneapolis, April 4, 1903.

It would be neither just nor expedient to punish the big corporations as big corporations; what we wish to do is to protect the people from any evil that may grow out of their existence or maladministration.—President Roosevelt at Cincinnati, Sept. 20, 1902.

**Fundamentally the cause of expansion is the cause of peace.—President Roosevelt on "Expansion and peace," in *Strenuous Life*, p. 34.**

**We must approach a matter of such prime economic importance as the tariff from the standpoint of our business needs.—President Roosevelt at Minneapolis, April 4, 1903.**

**The present phenomenal prosperity has been won under a tariff which was made to protect the interests of the American producer, business man, wage-worker, and farmer alike.—President Roosevelt at Minneapolis, April 4, 1903.**

**The nation has appreciated the valor and patriotism of the black men of the United States. They not only fought in Cuba, but in the Philippines, and they are still carrying the flag as the symbol of liberty and hope to an oppressed people.—President McKinley to colored citizens, at Chicago, Oct. 8, 1899.**

**At all hazards, and no matter what else is sought for or accomplished by changes of the tariff, the American workingman must be protected in his standard of wages—that is, in his standard of living—and must be secured the fullest opportunity of employment.—President Roosevelt at Logansport, Ind., September, 1902.**

**If a tariff law has on the whole worked well and if business has prospered under it and is prospering, it may be better to endure some inconveniences and inequalities for a time than by making changes to risk causing disturbance and perhaps paralysis in the industries and business of the country.—President Roosevelt at Minneapolis, Minn., April 4, 1903.**

**The Republican party was dedicated to freedom forty-four years ago. It has been the party of liberty and emancipation from that hour; not of profession but of performance.—President McKinley, at Canton, July 12, 1900.**

**The American flag stands for orderly liberty, and it stands for it abroad as it stands for it at home.—President Roosevelt at Memphis, Tenn., Nov. 19, 1902.**

**We all of us earnestly hope that the occasion for war may not arise, but if it has to come then this nation must win.—President Roosevelt at Annapolis, Md., May 2, 1902.**

**The well-being of the wage-worker is a prime consideration of our entire policy of economic legislation.—President Roosevelt's Annual Message, Fifty-seventh Congress, first session.**

**The fact that a change of a given rate of duty may be thought desirable does not settle the question whether it is advisable to make the change immediately.—President Roosevelt at Minneapolis, April 4, 1903.**

**The success of the capitalist, and especially of the banker, is conditioned upon the prosperity of both workingman and farmer.—President Roosevelt on the Law of Civilization and Decay—*American Ideals*, p. 367.**

**No nation has ever prospered as we are prospering now, and we must see to it that by our folly we do not mar this prosperity.—President Roosevelt at Union League banquet, Philadelphia, Pa., November 22, 1902.**

**The United States has not the slightest wish to establish a universal protectorate over other American States, or to become responsible for their misdeeds.—From President Roosevelt's *The Monroe Doctrine*, *American Ideals*, p. 248.**

**It would be hard to find in modern times a better example of successful constructive statesmanship than the American representatives have given to the Philippine Islands.—President Roosevelt at Providence, R. I., August 23, 1902.**

**There are many qualities which we need alike in private citizen and in public man, but three above all—three for the lack of which no brilliancy and no genius can atone—and those three are courage, honesty, and common sense.—President Roosevelt at Annetiam, Md., Sept. 17, 1903.**

The period of war is but a fractional part of the life of our Republic, and I earnestly hope and believe that it will be an even smaller part in the future than it has been in the past.—President Roosevelt at Chattanooga, Tenn., Sept. 8, 1902.

The business world—that is, the entire American world—can not afford, if it has any regard for its own welfare, even to consider the advisability of abandoning the present [protection] system.—President Roosevelt at Minneapolis, April 4, 1903.

It is a good lesson for nations and individuals to learn never to hit if it can be helped, and then never to hit softly. I think it is getting to be fairly understood that that is our foreign policy.—President Roosevelt at San Francisco, Cal., May 13, 1903.

As a nation we stand in the very forefront in the giant international industrial competition of the day. We can not afford by any freak or folly to forfeit the position to which we have thus triumphantly attained.—President Roosevelt at Minneapolis, Minn., April 4, 1903.



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*Electoral votes of the states in 1904, as apportioned by act approved January 16, 1901.*

Alabama.....	11	Nebraska.....	8
Arkansas.....	9	Nevada.....	3
California.....	10	New Hampshire.....	4
Colorado.....	5	New Jersey.....	12
Connecticut.....	7	New York.....	39
Delaware.....	3	North Carolina.....	12
Florida.....	5	North Dakota.....	4
Georgia.....	13	Ohio.....	23
Idaho.....	3	Oregon.....	4
Illinois.....	27	Pennsylvania.....	34
Indiana.....	15	Rhode Island.....	4
Iowa.....	13	South Carolina.....	9
Kansas.....	10	South Dakota.....	4
Kentucky.....	13	Tennessee.....	12
Louisiana.....	9	Texas.....	18
Maine.....	6	Utah.....	3
Maryland.....	8	Vermont.....	4
Massachusetts.....	16	Virginia.....	12
Michigan.....	14	Washington.....	5
Minnesota.....	11	West Virginia.....	7
Mississippi.....	10	Wisconsin.....	13
Missouri.....	18	Wyoming.....	3
Montana.....	3		
Total electoral vote.....		476.	
		Necessary to a choice 239.	

*Presidential vote and political record by states, 1864 to 1900.*

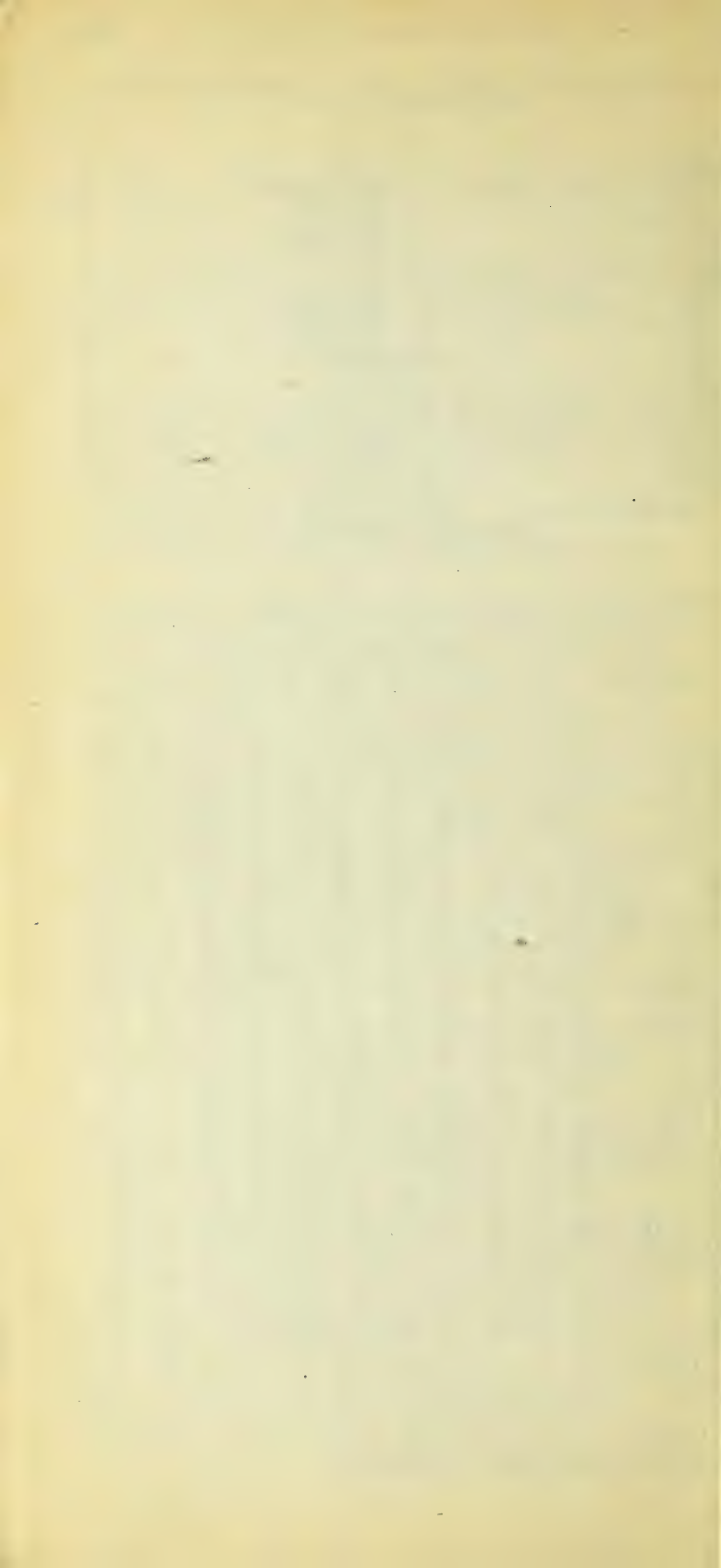
Votes, 1904.	Party receiving electoral vote in—									
	'64	'68	'72	'76	'80	'84	'88	'92	'96	1900
Alabama.....	11	*	R	R	D	D	D	D	D	D
Arkansas.....	9	*	R	R	*	D	D	D	D	D
California.....	10	R	R	R	R	†D	R	R	†R	R
Colorado.....	5	R	*	*	R	R	R	†P	D	D
Connecticut.....	7	R	R	R	D	R	D	D	R	R
Delaware.....	3	D	D	R	D	D	D	D	R	R
Florida.....	5	*	R	R	D	D	D	D	D	D
Georgia.....	13	*	D	D	D	D	D	D	D	D
Idaho.....	3	*	*	*	*	*	*	P	D	D
Illinois.....	27	R	R	R	R	R	R	D	R	R
Indiana.....	15	R	R	R	R	D	R	D	R	R
Iowa.....	13	R	R	R	R	R	R	R	R	R
Kansas.....	10	R	R	R	R	R	R	R	D	R
Kentucky.....	13	D	D	D	D	D	D	D	†R	D
Louisiana.....	9	*	D	*	R	D	D	D	†D	D
Maine.....	6	R	R	R	R	D	R	R	R	R
Maryland.....	8	R	D	D	R	D	D	D	R	R
Massachusetts.....	16	R	R	R	R	R	R	R	R	R
Michigan.....	14	R	R	R	R	R	R	R	R	R
Minnesota.....	11	R	R	R	R	R	R	†R	R	R
Mississippi.....	10	*	*	R	D	D	D	D	D	D
Missouri.....	18	R	R	D	D	D	D	D	D	D
Montana.....	3	*	*	*	*	*	*	D	D	D
Nebraska.....	8	*	R	R	R	R	R	R	D	D
Nevada.....	3	R	R	R	R	D	R	R	P	D
New Hampshire.....	4	R	R	R	R	R	R	R	R	R
New Jersey.....	12	D	D	R	D	D	D	D	R	R
New York.....	39	R	D	R	D	R	D	R	R	R
North Carolina.....	12	*	R	R	D	D	D	D	R	D
North Dakota.....	4	*	*	*	*	*	*	†D	R	R
Ohio.....	23	R	R	R	R	R	R	R	†R	R
Oregon.....	4	R	D	R	R	R	R	R	R	R
Pennsylvania.....	34	R	R	R	R	R	R	R	R	R
Rhode Island.....	4	R	R	R	R	R	R	R	R	R
South Carolina.....	9	*	R	R	R	D	D	D	D	D
South Dakota.....	4	*	*	*	*	*	*	D	D	D
Tennessee.....	12	*	R	D	D	D	D	D	D	D
Texas.....	18	*	*	D	D	D	D	D	D	D
Utah.....	3	*	*	*	*	*	*	D	D	D
Vermont.....	4	R	R	R	R	R	R	R	R	R
Virginia.....	12	*	*	R	R	D	D	D	D	D
Washington.....	5	*	*	*	D	*	D	D	R	R
West Virginia.....	7	R	R	R	D	D	D	D	R	R
Wisconsin.....	13	R	R	R	R	R	R	D	R	R
Wyoming.....	3	*	*	*	*	*	*	R	D	R

\*No vote.

†One electoral vote given to opposing party.

‡Five electoral votes given to opposing party.





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# REPUBLICAN CAMPAIGN TEXT - BOOK

1908



ISSUED BY THE  
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## EXTRACTS FROM THE PUBLIC UTTERANCES OF WM. H. TAFT.

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"The fundamental objection to the proposed (Democratic) plan to guarantee deposits in national banks is that it puts a premium on reckless banking. It would promote speculation at the expense of his fellow-banker, and that ultimately means at the expense of the depositors."—At Hot Springs, Va., August 25, 1908.

"Never in the history of this country has there been an Administration that has passed more measures directly in the interest of the laboring classes than has the present Republican Administration."—At Athens, Ohio, August 29, 1908.

"I believe that equal justice to all men and the fair and impartial enforcement of these (the Thirteenth, Fourteenth and Fifteenth) amendments are in keeping with the real American spirit of fair play."—From Address of Acceptance, July 28, 1908.

"Evils are to be suppressed by definite and practical measures—not by oratory or denunciation."—At Greensboro, N. C., July 9, 1906.

"The present business system of the country rests on the protective tariff and any attempt to change it to a free trade basis will certainly lead to disaster."—At Columbus, Ohio, August 19, 1907.

"I would favor a provision allowing the defendant in contempt proceedings to challenge the judge issuing the injunction and to call for the designation of another judge to hear the issue."—At Cooper Union, N. Y., January 10, 1908.

"The President should always be near the people in thought and as near them in person as his position will permit. Once convinced that he has divined and is carrying out their real wish, neither elated by any ephemeral outburst of applause nor diverted by an outburst of censure, he must proceed unwaveringly, always by lawful methods, to the accomplishment of the popular will."—From Mr. Taft's "Conception of the Presidency," in Collier's.



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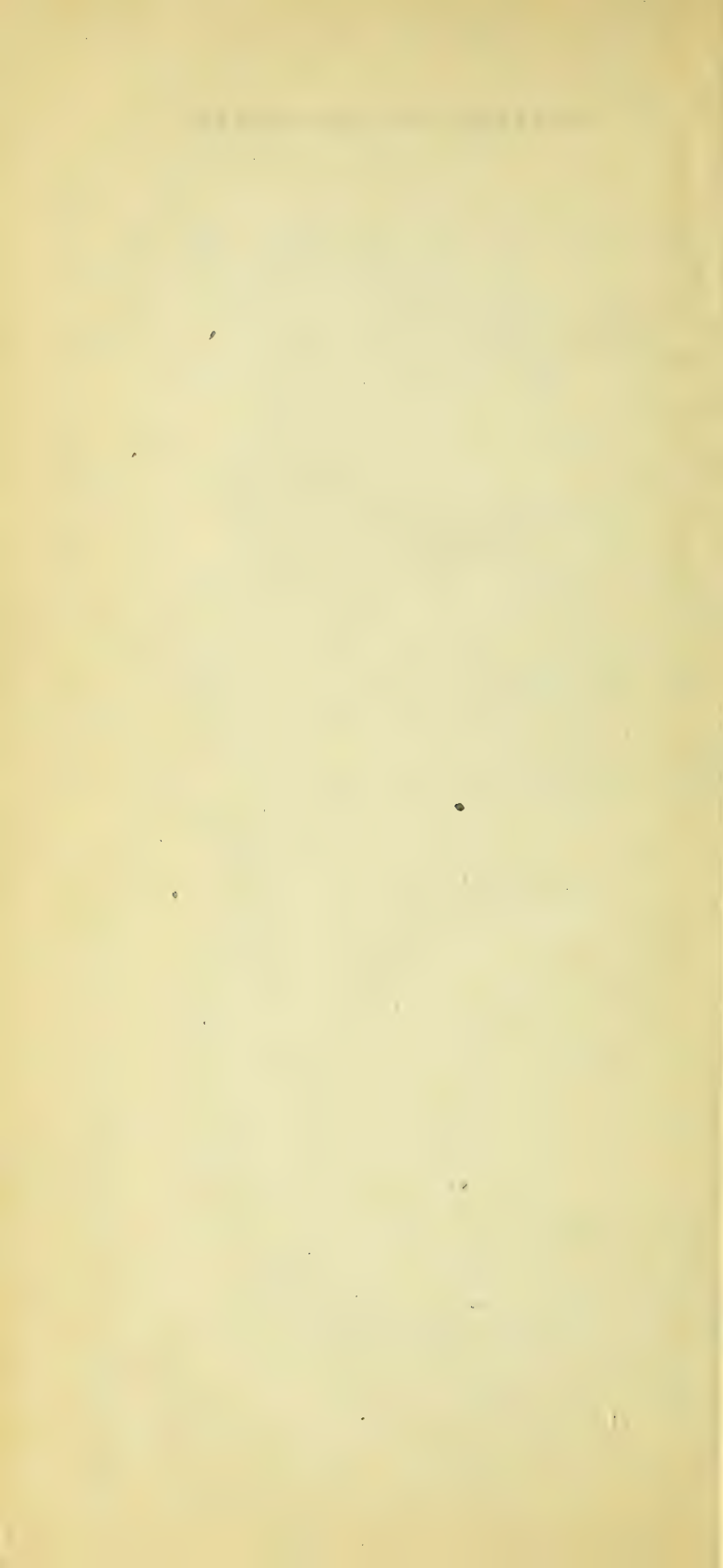


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# SPEECH

OF

## HON. WILLIAM HOWARD TAFT.

**At Cincinnati, O., July 28, 1908, Accepting the Republican Nomination for the Office of President of the United States.**

---

*Senator Warner and Gentlemen of the Committee:*

I am deeply sensible of the honor which the Republican National Convention has conferred on me in the nomination which you formally tender. I accept it with full appreciation of the responsibility it imposes.

### **Republican Strength in Maintenance of Roosevelt Policies.**

Gentlemen, the strength of the Republican cause in the campaign at hand is in the fact that we represent the policies essential to the reform of known abuses, to the continuance of liberty and true prosperity, and that we are determined, as our platform unequivocally declares, to maintain them and carry them on. For more than ten years this country passed through an epoch of material development far beyond any that ever occurred in the world before. In its course certain evils crept in. Some prominent and influential members of the community, spurred by financial success and in their hurry for greater wealth, became unmindful of the common rules of business honesty and fidelity and of the limitations imposed by law upon their actions. This became known. The revelations of the breaches of trust, the disclosures as to rebates and discriminations by railways, the accumulating evidence of the violation of the anti-trust law by a number of corporations, the overissue of stocks and bonds on interstate railways for the unlawful enriching of directors and for the purpose of concentrating control of railways in one management, all quickened the conscience of the people, and brought on a moral awakening among them that boded well for the future of the country.

### **What Roosevelt Has Done.**

The man who formulated the expression of the popular conscience and who led the movement for practical reform was Theodore Roosevelt. He laid down the doctrine that the rich violator of the law should be as amenable to restraint and punishment as the offender without wealth and without influence, and he proceeded by recommending legislation and directing executive action to make that principle good in actual performance. He secured the passage of the so-called rate bill, designed more effectively to restrain excessive and fix reasonable rates, and to

punish secret rebates and discriminations which had been general in the practice of the railroads, and which had done much to enable unlawful trusts to drive out of business their competitors. It secured much closer supervision of railway transactions and brought within the operation of the same statute express companies, sleeping car companies, fast freight and refrigerator lines, terminal railroads and pipe lines, and, in order to avoid undue discrimination, forbade in future the combination of the transportation and shipping business under one control.

President Roosevelt directed suits to be brought and prosecutions to be instituted under the anti-trust law to enforce its provisions against the most powerful of the industrial corporations. He pressed to passage the pure food law and the meat inspection law in the interest of the health of the public, clean business methods and great ultimate benefit to the trades themselves. He recommended the passage of a law, which the Republican convention has since specifically approved, restricting the future issue of stocks and bonds by interstate railways to such as may be authorized by Federal authority. He demonstrated to the people by what he said, by what he recommended to Congress, and by what he did the sincerity of his efforts to command respect for the law, to secure equality of all before the law, and to save the country from the dangers of a plutocratic government, toward which we were fast tending. In this work Mr. Roosevelt has had the support and sympathy of the Republican party, and its chief hope of success in the present controversy must rest on the confidence which the people of the country have in the sincerity of the party's declaration in its platform that it intends to continue his policies.

#### **Necessary to Devise Some Means of Permanently Securing Progress Made.**

Mr. Roosevelt has set high the standard of business morality and obedience to law. The railroad rate bill was more useful possibly in the immediate moral effect of its passage than even in the legal effect of its very useful provisions. From its enactment dates the voluntary abandonment of the practice of rebates and discriminations by the railroads and the return by their managers to obedience to law in the fixing of tariffs. The pure food and meat inspection laws and the prosecutions directed by the President under the anti-trust law have had a similar moral effect in the general business community and have made it now the common practice for the great industrial corporations to consult the law with a view to keeping within its provisions. It has also had the effect of protecting and encouraging smaller competitive companies so that they have been enabled to do a profitable business.

But we should be blind to the ordinary working of human na-

ture if we did not recognize that the moral standards set by President Roosevelt will not continue to be observed by those whom cupidity and a desire for financial power may tempt unless the requisite machinery is introduced into the law which shall in its practical operation maintain these standards and secure the country against a departure from them.

#### **Chief Function of Next Administration to Clinch What Has Been Done.**

The chief function of the next administration, in my judgment, is distinct from, and a progressive development of, that which has been performed by President Roosevelt. The chief function of the next administration is to complete and perfect the machinery by which these standards may be maintained, by which the lawbreakers may be promptly restrained and punished, but which shall operate with sufficient accuracy and dispatch to interfere with legitimate business as little as possible. Such machinery is not now adequate. Under the present rate bill, and under all its amendments, the burden of the Interstate Commerce Commission in supervising and regulating the operation of the railroads of this country has grown so heavy that it is utterly impossible for that tribunal to hear and dispose, in any reasonable time, of the many complaints, queries and issues that are brought before it for decision. It ought to be relieved of its jurisdiction as an executive, directing body, and its functions should be limited to the quasi-judicial investigation of complaints made by individuals, and by a department of the Government charged with the executive business of supervising the operation of railways.

#### **Publicity and Supervision.**

There should be a classification of that very small percentage of industrial corporations having power and opportunity to effect illegal restraints of trade and monopolies, and legislation either inducing or compelling them to subject themselves to registry and to proper publicity regulations and supervision of the Department of Commerce and Labor.

#### **Constructive Work of Next Administration to Organize Subordinate and Ancillary Machinery to Maintain Standards on One Hand, and Not to Interfere With Business on the Other.**

The field covered by the industrial combinations and by the railroads is so very extensive that the interests of the public and the interests of the businesses concerned cannot be properly supervised except by reorganization of bureaus in the Department of Commerce and Labor, of Agriculture and the Department of Justice, and a change in the jurisdiction of the Interstate Commerce Commission. It does not assist matters to prescribe new duties for the Interstate Commerce Commission, which it is practically



impossible for it to perform, or to denounce new offenses, with drastic punishment, unless subordinate and ancillary legislation shall be passed making possible the quick enforcement in the great variety of cases which are constantly arising of the principles laid down by Mr. Roosevelt, and with respect to which only typical instances of prosecution with the present machinery are possible. Such legislation should and would greatly promote legitimate business by enabling those anxious to obey the Federal statutes to know just what are the bounds of their lawful action. The practical constructive and difficult work, therefore, of those who follow Mr. Roosevelt is to devise the ways and means by which the high level of business integrity and obedience to law which he has established may be maintained and departures from it restrained without undue interference with legitimate business.

**Railway Traffic Agreements Approved by Commission Should be Valid.**

It is agreeable to note in this regard that the Republican platform expressly, and the Democratic platform impliedly, approve an amendment to the interstate commerce law by which interstate railroads may make useful traffic agreements if approved by the Commission. This has been strongly recommended by President Roosevelt, and will make for the benefit of the business.

**Physical Valuation of Railways.**

Some of the suggestions of the Democratic platform relate really to this subordinate and ancillary machinery to which I have referred. Take, for instance, the so-called "physical valuation of railways." It is clear that the sum of all rates or receipts of a railway, less proper expenses, should be limited to a fair profit upon the reasonable value of its property, and that if the sum exceeds this measure it ought to be reduced. The difficulty in enforcing the principle is in ascertaining what is the reasonable value of the company's property, and in fixing what is a fair profit. It is clear that the physical value of a railroad and its plant is an element to be given weight in determining its full value; but as President Roosevelt in his Indianapolis speech and the Supreme Court have in effect pointed out, the value of the railroad as a going concern, including its good will, due to efficiency of service and many other circumstances, may be much greater than the value of its tangible property, and it is the former that measures the investment on which a fair profit must be allowed. Then, too, the question what is a fair profit is one involving not only the rate of interest usually earned on normally safe investments, but also a sufficient allowance to make up for the risk of loss both of capital and interest in the original outlay. These considerations will have justified the company in imposing charges high enough to secure a fair income on the

enterprise as a whole. The securities at market prices will have passed into the hands of subsequent purchasers from the original investors. Such circumstances should properly affect the decision of the tribunal engaged in determining whether the totality of rates charged is reasonable or excessive. To ignore them might so seriously and unjustly impair settled values as to destroy all hope of restoring confidence, and forever to end the inducement for investment in new railroad construction which, in returning prosperous times, is sure to be essential to our material progress. As Mr. Roosevelt has said in speaking of this very subject:

"The effect of such valuation and supervision of securities cannot be retroactive. Existing securities should be tested by laws in existence at the time of their issue. This nation would no more injure securities which have become an important part of the national wealth than it would consider a proposition to repudiate the national debt."

The question of rates and the treatment of railways is one that has two sides. The shippers are certainly entitled to reasonable rates; but less is an injustice to the carriers. Good business for the railroads is essential to general prosperity. Injustice to them is not alone injustice to stockholders and capitalists, whose further investments may be necessary for the good of the whole country, but it directly affects and reduces the wages of railway employees, and indeed may deprive them of their places entirely.

From what has been said the proper conclusion would seem to be that in attempting to determine whether the entire schedule of rates of a railway is excessive the physical valuation of the road is a relevant and important, but not necessarily a controlling factor.

#### **Physical Valuation Properly Used Will Not Generally Impair Securities.**

I am confident that the fixing of rates on the principles suggested above would not materially impair the present market values of railroad securities in most cases, for I believe that the normal increase in the value of railroad properties, especially in their terminals, will more than make up for the possible overcapitalization in earlier years. In some cases, doubtless, it will be found that overcapitalization is made an excuse for excessive rates, and then they should be reduced. But the consensus of opinion seems to be that the railroad rates generally in this country are reasonably low. This is why, doubtless, the complaints filed with the Interstate Commerce Commission against excessive rates are so few as compared with those against unlawful discrimination in rates between shippers and between places. Of course, in the determination of the question whether discrimination is unlawful or not the physical valuation of the whole road is of little weight.

### **Conclusion That There Should be Physical Valuation.**

I have discussed this, with some degree of detail, merely to point out that the valuation by the Interstate Commerce Commission of the tangible property of a railroad is proper and may from time to time be necessary in settling certain issues which may come before it, and that no evil or injustice can come from valuation in such cases, if it be understood that the result is to be used for a just purpose and the right to a fair profit under all the circumstances of the investment is recognized. The Interstate Commerce Commission has now the power to ascertain the value of the physical railroad property if necessary in determining the reasonableness of rates. If the machinery for doing so is not adequate, as is probable, it should be made so.

The Republican platform recommends legislation forbidding the issue in the future of interstate railway stocks and bonds without Federal authority. It may occur in such cases that the full value of the railway, and, as an element thereof, the value of the tangible property of the railway would be a relevant and important factor in assisting the proper authority to determine whether the stocks and bonds to be issued were to have proper security behind them, and in such case, therefore, there should be the right and machinery to make a valuation of the physical property.

### **National Control of Interstate Commerce Corporations.**

Another suggestion in respect to subordinate and ancillary machinery necessary to carry out Republican policies is that of the incorporation under national law or the licensing by national license or enforced registry of companies engaged in interstate trade. The fact is that nearly all corporations doing a commercial business are engaged in interstate commerce, and if they all were required to take out a Federal license or a Federal charter the burden upon the interstate business of the country would become intolerable.

### **Should be Limited to Small Percentage by Classification.**

It is necessary, therefore, to devise some means for classifying and insuring Federal supervision of such corporations as have the power and temptation to effect restraints of interstate trade and monopolies. Such corporations constitute a very small percentage of all engaged in interstate business.

### **Mr. Roosevelt's Proposed Classification.**

With such classification in view, Mr. Roosevelt recommended an amendment to the anti-trust law, known as the Hepburn bill, which provided for voluntary classification and created a strong motive therefor by granting immunity from prosecution for reasonable restraints of interstate trade to all corporations which would register and submit themselves to the publicity regulations of the Department of Commerce and Labor.



**The Democratic Proposed Classification.**

The Democratic platform suggests a requirement that corporations in interstate trade having control of 25 per cent of the products in which they deal shall take out a Federal license. This classification would probably include a great many small corporations engaged in the manufacture of special articles or commodities whose total value is so inconsiderable that they are not really within the purview or real intent of the anti-trust law.

It is not now necessary, however, to discuss the relative merit of such propositions, but it is enough merely to affirm the necessity for some method by which greater executive supervision can be given to the Federal Government over those businesses in which there is a temptation to violations of the anti-trust law.

**Construction of Anti-Trust Law—Possible Necessity for Amendment.**

The possible operation of the anti-trust law under existing rulings of the Supreme Court has given rise to suggestions for its necessary amendment to prevent its application to cases which it is believed were never in the contemplation of the framers of the statute. Take two instances: A merchant or manufacturer engaged in a legitimate business that covered certain states wishes to sell his business and his good-will, and so in the terms of the sale obligates himself to the purchaser not to go into the same business in those states. Such a restraint of trade has always been enforced at common law. Again, the employees of an interstate railway combine and enter upon a peaceable and lawful strike to secure better wages. At common law this was not a restraint of trade or commerce or a violation of the rights of the company or of the public. Neither case ought to be made a violation of the anti-trust law. My own impression is that the Supreme Court would hold that neither of these instances is within its inhibition, but, if they are to be so regarded, general legislation amending the law is necessary.

**Democratic Plank to Limit Corporations to Ownership of Fifty Per Cent of Plant and Product Faulty.**

The suggestion of the Democratic platform that trusts be ended by forbidding corporations to hold more than 50 per cent of the plant in any line of manufacture is made without regard to the possibility of enforcement or the real evil in trusts. A corporation controlling 45 or 50 per cent of the products may by well-known methods frequently effect monopoly and stamp out competition in a part of the country as completely as if it controlled 60 or 70 per cent thereof.

**Compulsory Sale of Products at Fixed Price Impracticable.**

The proposal to compel every corporation to sell its commodities at the same price the country over, allowing for transportation, is utterly impracticable. If it can be shown that in order to drive out competition a corporation owning a large part of the plant producing an article is selling in one part of the country where it has competitors, at a low and unprofitable price, and in another part of the country, where it has none, at an exorbitant price, this is evidence that it is attempting an unlawful monopoly, and justifies conviction under the anti-trust law; but the proposal to supervise the business of corporations in such a way as to fix the price of commodities and compel the sale at such price is as absurd and socialistic a plank as was ever inserted in a Democratic political platform.

**Difference Between Republican and Democratic Policies and Platforms; Former Progressive and Regulative; Latter Radical and Destructive.**

The chief difference between the Republican and the Democratic platforms is the difference which has heretofore been seen between the policies of Mr. Roosevelt and those which have been advocated by the Democratic candidate, Mr. Bryan. Mr. Roosevelt's policies have been progressive and regulative; Mr. Bryan's destructive. Mr. Roosevelt has favored regulation of the business in which evils have grown up so as to stamp out the evils and permit the business to continue. The tendency of Mr. Bryan's proposals have generally been destructive of the business with respect to which he is demanding reform. Mr. Roosevelt would compel the trusts to conduct their business in a lawful manner and secure the benefits of their operation and the maintenance of the prosperity of the country, of which they are an important part; while Mr. Bryan would extirpate and destroy the entire business in order to stamp out the evils which they have practiced.

**Advantage of Combination of Capital.**

The combination of capital in large plants to manufacture goods with the greatest economy is just as necessary as the assembling of the parts of a machine to the economical and more rapid manufacture of what in old times was made by hand. The government should not interfere with one any more than the other, when such aggregations of capital are legitimate and are properly controlled, for they are then the natural results of modern enterprise and are beneficial to the public. In the proper operation of competition the public will soon share with the manufacturer the advantage in economy of operation and lower prices.

**What Is an Unlawful Trust?**

When, however, such combinations are not based on any economic principle, but are made merely for the purpose of controlling the market, to maintain or raise prices, restrict output and drive out competitors, the public derives no benefit and we have a monopoly. There must be some use by the company of the comparatively great size of its capital and plant and extent of its output, either to coerce persons to buy of it rather than of some competitor or to coerce those who would compete with it to give up their business. There must usually, in other words, be shown an element of duress in the conduct of its business toward the customers in the trade and its competitors before mere aggregation of capital or plant becomes an unlawful monopoly. It is perfectly conceivable that in the interest of economy of production a great number of plants may be legitimately assembled under the ownership of one corporation. It is important, therefore, that such large aggregations of capital and combination should be controlled, so that the public may have the advantage of reasonable prices and that the avenues of enterprise may be kept open to the individual and the smaller corporation wishing to engage in business.

**Mere Aggregation of Capital Not a Violation of Anti-Trust Law.**

In a country like this, where, in good times, there is an enormous floating capital awaiting investment, the period before which effective competition by construction of new plants can be introduced into any business is comparatively short, rarely exceeding a year, and is usually even less than that. Existence of actual plant is not, therefore, necessary to potential competition. Many enterprises have been organized on the theory that mere aggregation of all, or nearly all, existing plants in a line of manufacture, without regard to economy of production, destroys competition. They have, most of them, gone into bankruptcy. Competition in a profitable business will not be affected by the mere aggregation of many existing plants under one company, unless the company thereby effects great economy, the benefit of which it shares with the public, or takes some illegal method to avoid competition and to perpetuate a hold on the business.

**Proper Treatment of Trusts.**

Unlawful trusts should be restrained with all the efficiency of injunctive process, and the persons engaged in maintaining them should be punished with all the severity of criminal prosecution, in order that the methods pursued in the operation of their business shall be brought within the law. To destroy them and to eliminate the wealth they represent from the pro-



ducing capital of the country would entail enormous loss and would throw out of employment myriads of workingmen and workingwomen. Such a result is wholly unnecessary to the accomplishment of the needed reform, and will inflict upon the innocent far greater punishment than upon the guilty.

#### **Destructive Policy of Democratic Platform.**

The Democratic platform does not propose to destroy the plants of the trusts physically, but it proposes to do the same thing in a different way. The business of this country is largely dependent on a protective system of tariffs. The business done by many of the so-called "trusts," is protected with the other businesses of the country. The Democratic platform proposes to take off the tariff on all articles coming into competition with those produced by the so-called "trusts," and to put them on the free list. If such a course would be utterly destructive of their business, as is intended, it would not only destroy the trusts, but all of their smaller competitors. The ruthless and impracticable character of the proposition grows plainer as its effects upon the whole community are realized.

#### **Effect of Democratic Plans on Business.**

To take the course suggested by the Democratic platform in these matters is to involve the entire community, innocent as it is, in the punishment of the guilty, while our policy is to stamp out the specific evil. This difference between the policies of the two great parties is of especial importance in view of the present condition of business. After ten years of the most remarkable material development and prosperity, there came a financial stringency, a panic, and an industrial depression. This was brought about not only by the enormous expansion of business plants and business investments which could not be readily converted, but also by the waste of capital, in extravagance of living, in wars and other catastrophes. The free convertible capital was exhausted. In addition to this, the confidence of the lending public in Europe and in this country had been affected by the revelations of irregularity, breaches of trust, overissues of stock, violations of law, and lack of rigid State or National supervision in the management of our largest corporations. Investors withheld what loanable capital remained available. It became impossible for the soundest railroads and other enterprises to borrow money enough for new construction or reconstruction.

#### **Will Delay Restoration of Prosperity.**

Gradually business is acquiring a healthier tone. Gradually all wealth which was hoarded is coming out to be used. Confidence in security of business investments is a plant of slow growth and is absolutely necessary in order that our factories

may all open again, in order that our unemployed may become employed, and in order that we may again have the prosperity which blessed us for ten years. The identity of the interests of the capitalist, the farmer, the business man, and the wage-earner in the security and profit of investments cannot be too greatly emphasized. I submit to those most interested, to wage-earners, to farmers, and to business men, whether the introduction into power of the Democratic party, with Mr. Bryan at its head, and with the business destruction that it openly advocates as a remedy for present evils, will bring about the needed confidence for the restoration of prosperity.

#### **Republican Doctrine of Protection.**

The Republican doctrine of protection, as definitely announced by the Republican convention of this year and by previous conventions, is that a tariff shall be imposed on all imported products, whether of the factory, farm, or mine, sufficiently great to equal the difference between the cost of production abroad and at home, and that this difference should, of course, include the difference between the higher wages paid in this country and the wages paid abroad and embrace a reasonable profit to the American producer. A system of protection thus adopted and put in force has led to the establishment of a rate of wages here that has greatly enhanced the standard of living of the laboring man. It is the policy of the Republican party permanently to continue that standard of living. In 1897 the Dingley tariff bill was passed, under which we have had, as already said, a period of enormous prosperity.

#### **Necessity for Revision of Tariff.**

The consequent material development has greatly changed the conditions under which many articles described by the schedules of the tariff are now produced. The tariff in a number of the schedules exceeds the difference between the cost of production of such articles abroad and at home, including a reasonable profit to the American producer. The excess over that difference serves no useful purpose, but offers a temptation to those who would monopolize the production and the sale of such articles in this country to profit by the excessive rate. On the other hand, there are some few other schedules in which the tariff is not sufficiently high to give the measure of protection which they should receive upon Republican principles, and as to those the tariff should be raised. A revision of the tariff undertaken upon this principle, which is at the basis of our present business system, begun promptly upon the incoming of the new administration and considered at a special session with the preliminary investigations already begun by the appropriate committees of the House and Senate, will make the disturbance of business incident to such a change as little as possible.

**Democratic Tariff Plan and Its Bad Effect on Business Conditions.**

The Democratic party in its platform has not had the courage of its previous convictions on the subject of the tariff, denounced by it in 1904 as a system of the robbery of the many for the benefit of the few, but it does declare its intention to change the tariff with a view to reaching a revenue basis and thus to depart from the protective system. The introduction into power of a party with this avowed purpose cannot but halt the gradual recovery from our recent financial depression and produce business disaster compared with which our recent panic and depression will seem small indeed.

**The Farmer and the Republican Party.**

As the Republican platform says, the welfare of the farmer is vital to that of the whole country. One of the strongest hopes of returning prosperity is based on the business which his crops are to afford. He is vitally interested in the restraining of excessive and unduly discriminating railroad rates, in the enforcement of the pure food laws, in the promotion of scientific agriculture, and in increasing the comforts of country life, as by the extension of free rural delivery. The policies of the present administration, which have most industriously promoted all these objects, cannot fail to commend themselves to his approval; and it is difficult to see how with his intelligent appreciation of the threat to business prosperity involved in Democratic success at the polls he can do otherwise than give his full and hearty support to the continuation of the policies of the present administration under Republican auspices.

**Labor and What the Republican Party Has Done for it.**

We come now to the question of labor. One important phase of the policies of the present administration has been an anxiety to secure for the wage-earner an equality of opportunity and such positive statutory protection as shall place him on a level in dealing with his employer. The Republican party has passed an employers' liability act for interstate railroads, and has established an eight-hour law for government employees and on government construction. The essence of the reform effected by the former is the abolition of the fellow-servant rule and the introduction of the comparative negligence theory by which an employee injured in the service of his employer does not lose all his right to recover because of slight negligence on his part. Then there is the act providing for compensation for injury to government employees, together with the various statutes requiring safety appliances upon interstate commerce railroads for the protection of their employees, and limiting the hours of their employment. These are all instances of the



desire of the Republican party to do justice to the wage-earner. Doubtless a more comprehensive measure for compensation of government employees will be adopted in the future; the principle in such cases has been recognized, and in the necessarily somewhat slow course of legislation will be more fully embodied in definite statutes.

#### **Interests of Employer and Employee Only Differ in Respect to Terms of Employment.**

The interests of the employer and the employee never differ except when it comes to a division of the joint profit of labor and capital into dividends and wages. This must be a constant source of periodical discussion between the employer and the employee, as indeed are the other terms of the employment.

#### **Advantage of Union.**

To give to employees their proper position in such a controversy, to enable them to maintain themselves against employers having great capital, they may well unite, because in union there is strength, and without it each individual laborer and employee would be helpless. The promotion of industrial peace through the instrumentality of the trade agreement is often one of the results of such union when intelligently conducted.

#### **Other Labor.**

There is a large body of laborers, however, skilled and unskilled, who are not organized into unions. Their rights before the law are exactly the same as those of the union men, and are to be protected with the same care and watchfulness.

#### **Rights of Labor.**

In order to induce their employer into a compliance with their request for changed terms of employment, workmen have the right to strike in a body. They have a right to use such persuasion as they may, provided it does not reach the point of duress, to lead their reluctant co-laborers to join them in their union against their employer, and they have a right, if they choose, to accumulate funds to support those engaged in a strike, to delegate to officers the power to direct the action of the union, and to withdraw themselves and their associates from dealing with or giving custom to those with whom they are in controversy.

#### **What Labor Cannot Lawfully Do.**

What they have not the right to do is to injure their employers' property, to injure their employers' business by use of threats or methods of physical duress against those who would work for him, or deal with him, or by carrying on what is sometimes known as a secondary boycott against his customers or those with whom he deals in business. All those

who sympathize with them may unite to aid them in their struggle, but they may not through the instrumentality of a threatened or actual boycott compel third persons against their will and having no interest in their controversy to come to their assistance. These principles have for a great many years been settled by the courts of this country.

Threatened unlawful injuries to business, like those described above, can only be adequately remedied by an injunction to prevent them. The jurisdiction of a court of equity to enjoin in such cases arises from the character of the injury and the method of inflicting it and the fact that suit for damages offers no adequate remedy. The unlawful injury is not usually done by one single act, which might be adequately compensated for in damages by a suit at law, but it is the result of a constantly recurring series of acts, each of which in itself might not constitute a substantial injury or make a suit at law worth while, and all of which would require a multiplicity of suits at law. Injuries of this class have since the foundation of courts of equity been prevented by injunction.

It has been claimed that injunctions do not issue to protect anything but property rights, and that business is not a property right; but such a proposition is wholly inconsistent with all the decisions of the courts. The Supreme Court of the United States says that the injunction is a remedy to protect property or rights of a pecuniary nature, and we may well submit to the considerate judgment of all laymen whether the right of a man in his business is not as distinctly a right of a pecuniary nature as the right to his horse or his house or the stock of goods on his shelf; and the instances in which injunctions to protect business have been upheld by all courts are so many that it is futile further to discuss the proposition.

It is difficult to tell the meaning of the Democratic platform upon this subject. It says:

"Questions of judicial practice have arisen especially in connection with industrial disputes. We deem that the parties to all judicial proceedings should be treated with rigid impartiality, and that injunctions should not be issued in any cases in which injunctions would not issue if no industrial dispute were involved."

This declaration is disingenuous. It seems to have been loosely drawn with the especial purpose of rendering it susceptible to one interpretation by one set of men and to a diametrically opposite interpretation by another. It does not aver that injunctions should not issue in industrial disputes, but only that they should not issue merely because they are industrial disputes, and yet those responsible for the declaration must have known that no one has ever maintained that the fact that a dispute was industrial gave any basis for issuing an injunction in reference thereto.

The declaration seems to be drawn in its present vague and ambiguous shape in order to persuade some people that it is a declaration against the issuing of injunctions in any industrial dispute, while at the same time it may be possible to explain to the average plain citizen who objects to class distinctions that no such intention exists at all. Our position is clear and unequivocal. We are anxious to prevent even an appearance of any injustice to labor in the issuance of injunctions, not in a spirit of favoritism to one set of our fellow citizens, but of justice to all of our fellow citizens. The reason for exercising or refusing to exercise the power of injunction must be found in the character of the unlawful injury and not in the character or class of the persons who inflict this injury.

The man who has a business which is being unlawfully injured is entitled to the remedies which the law has always given him, no matter who has inflicted the injuries. Otherwise we shall have class legislation unjust in principle and likely to sap the foundations of a free government.

#### **Notice and Hearing Before Injunction.**

I come now to the question of notice before issuing an injunction. It is a fundamental rule of general jurisprudence that no man shall be affected by a judicial proceeding without notice and hearing. This rule, however, has some times had an exception in the issuing of temporary restraining orders commanding a defendant in effect to maintain the status quo until a hearing. Such a process should issue only in rare cases where the threatened change of the status quo would inflict irreparable injury if time were taken to give notice and a summary hearing. The unlawful injury usual in industrial disputes, such as I have described, does not become formidable except after sufficient time in which to give the defendants notice and a hearing. I do not mean to say that there may not be cases even in industrial disputes where a restraining order might properly be issued without notice, but, generally, I think it is otherwise. In some State courts, and in fewer Federal courts, the practice of issuing a temporary restraining order without notice merely to preserve the status quo on the theory that it won't hurt anybody has been too common. Many of us recall that the practice has been pursued in other than industrial disputes, as for instance in corporate and stock controversies, like those over the Erie railroad, in which a stay order without notice was regarded as a step of great advantage to the one who secured it, and a corresponding disadvantage to the one against whom it was secured. Indeed, the chances of doing injustice on an ex parte application are much increased over those when a hearing is granted, and there may be circumstances under which it may affect the defendant to his detriment. In the case of



a lawful strike the sending of a formidable document restraining a number of defendants from doing a great many different things which the plaintiff avers they are threatening to do often so discourages men, always reluctant to go into a strike, from continuing what is their lawful right. This has made the laboring man feel that an injustice is done in the issuing of a writ without notice. I conceive that in the treatment of this question it is the duty of the citizen and the legislator to view the subject from the standpoint of the man who believes himself to be unjustly treated, as well as from that of the community at large. I have suggested the remedy of returning in such cases to the original practice under the old statute of the United States and the rules in equity adopted by the Supreme Court, which did not permit the issuing of an injunction without notice. In this respect the Republican convention has adopted another remedy, that, without going so far, promises to be efficacious in securing proper consideration in such cases by courts by formulating into a legislative act the best present practice.

Under this recommendation, a statute may be framed which shall define with considerable particularity and emphasize the exceptional character of the cases in which restraining orders may issue without notice, and which shall also provide that when they are issued they shall cease to be operative beyond a short period, during which time notice shall be served and a hearing had unless the defendant desires a postponement of the hearing. By this provision the injustice which has sometimes occurred by which a preliminary restraining order of widest application has been issued without notice, and the hearing of the motion for the injunction has been fixed weeks and months after its date, could not recur.

#### **Small Number of Cases Furnishing Grounds for Complaint in Federal Court.**

The number of instances in which restraining orders without notice in industrial disputes have issued by Federal courts is small, and it is urged that they do not therefore constitute an evil to be remedied by statutory amendment. The small number of cases complained of above shows the careful manner in which most Federal judges have exercised the jurisdiction, but the belief that such cases are numerous has been so widespread and has aroused such feeling of injustice that more definite specification in procedure to prevent recurrence of them is justified if it can be effected without injury to the administration of the law.

#### **No Provision in Democratic Platform as to Notice; Only Recommendation Trial by Jury.**

With respect to notice, the Democratic platform contains no recommendation. Its only intelligible declaration in regard

to injunction suits is a reiteration of the plank in the platform of 1896 and 1904 providing that in prosecutions for contempt in Federal courts, where the violation of the order constituting the contempt charge is indirect, i. e., outside of the presence of the court there shall be a jury trial.

#### **Dangerous Attack on Power of Courts.**

This provision in the platform of 1896 was regarded then as a most dangerous attack upon the power of the courts to enforce their orders and decrees, and it was one of the chief reasons for the defeat of the Democratic party in that contest, as it ought to have been. The extended operation of such a provision to weaken the power of the courts in the enforcement of their lawful orders can hardly be overstated.

#### **Effect of Jury Trial.**

Under such a provision a recalcitrant witness who refuses to obey a subpoena may insist on a jury trial before the court can determine that he received the subpoena. A citizen summoned as a juror and refusing to obey the writ when brought into court must be tried by another jury to determine whether he got the summons. Such a provision applies not alone to injunctions, but to every order which the court issues against persons. A suit may be tried in the court of first instance and carried to the court of appeals and thence to the Supreme Court, and a judgment and decree entered and an order issued, and then if the decree involves the defendants' doing anything or not doing anything, and he disobeys it, the plaintiff, who has pursued his remedies in lawful course for years, must, to secure his rights, undergo the uncertainties and delays of a jury trial before he can enjoy that which is his right by the decision of the highest court of the land. I say without hesitation that such a change would greatly impair the indispensable power and authority of the courts. In securing to the public the benefits of the new statutes enacted in the present administration the ultimate instrumentality to be resorted to is the courts of the United States. If now their authority is to be weakened in a manner never known in the history of the jurisprudence of England or America, except in the Constitution of Oklahoma, how can we expect that such statutes will have efficient enforcement? Those who advocate this intervention of a jury in such cases seem to suppose that this change in some way will inure only to the benefit of the poor workingman. As a matter of fact, the person who will secure chief advantage from it is the wealthy and unscrupulous defendant, able to employ astute and cunning counsel and anxious to avoid justice.

I have been willing, in order to avoid a popular but unfounded

impression that a judge, in punishing for contempt of his own order, may be affected by personal feeling, to approve a law which should enable the contemnor upon his application to have another judge sit to hear the charge of contempt, but this, with so many judges as there are available in the Federal courts would not constitute a delay in the enforcement of the process. The character and efficiency of the trial would be the same. It is the nature and the delay of a jury trial in such cases that those who would wish to defy the order of the court would rely upon as a reason for doing so.

#### **Maintenance of Full Power of Courts Necessary to Avoid Anarchy.**

The administration of justice lies at the foundation of government. The maintenance of the authority of the courts is essential unless we are prepared to embrace anarchy. Never in the history of the country has there been such an insidious attack upon the judicial system as the proposal to interject a jury trial between all orders of the court made after full hearing and the enforcement of such orders.

#### **The Currency System.**

The late panic disclosed a lack of elasticity in our financial system. This has been provisionally met by an act of the present Congress permitting the issue of additional emergency bank notes, and insuring their withdrawal when the emergency has passed by a high rate of taxation. It is drawn in conformity with the present system of bank-note currency, but varies from it in certain respects by authorizing the use of commercial paper and bonds of good credit, as well as United States bonds, as security for its redemption. It is expressly but a temporary measure and contains a provision for the appointment of a currency commission to devise and recommend a new and reformed system of currency. This inadequacy of our present currency system, due to changed conditions and enormous expansion, is generally recognized. The Republican platform well states that we must have a "more elastic and adaptable system to meet the requirements of agriculturists, manufacturers, merchants, and business men generally, must be automatic in operation, recognizing the fluctuations in interest rates," in which every dollar shall be as good as gold and which shall prevent rather than aid financial stringency in bringing on a panic.

#### **Postal Savings Bank and Its Advantages.**

In addition to this, the Republican platform recommends the adoption of a postal savings bank system in which, of course, the Government would become responsible to the depositors for the payment of principal and interest. It is thought that the government guaranty will bring out of hoarding places much money



which may be turned into wealth-producing capital, and that it will be a great incentive for thrift in the many small places in the country having now no savings bank facilities which are reached by the Post Office Department. It will bring to every one, however remote from financial centers, a place of perfect safety for deposits, with interest return. The bill now pending in Congress, which, of course, the Republican convention had in mind, provides for the investment of the money deposited in national banks in the very places in which it is gathered, or as near thereto as may be practicable. This is an answer to the criticism contained in the Democratic platform that under the system the money gathered in the country will be deposited in Wall street banks. The system of postal savings banks has been tried in so many countries successfully that it cannot be regarded longer as a new and untried experiment.

#### **Objections to Democratic Proposal to Enforce Insurance of Bank Deposits.**

The Democratic platform recommends a tax upon national banks and upon such State banks as may come in, in the nature of enforced insurance, to raise a guaranty fund to pay the depositors of any bank which fails. How State banks can be included in such a scheme under the Constitution is left in the twilight zone of State's rights and federalism so frequently dimming the meaning and purpose of the promises of the platform. If they come in under such a system, they must necessarily be brought within the closest national control, and so they must really cease to be State banks and become national banks.

The proposition is to tax the honest and prudent banker to make up for the dishonesty and imprudence of others. No one can foresee the burden which under this system would be imposed upon the sound and conservative bankers of the country by this obligation to make good the losses caused by the reckless, speculative and dishonest men who would be enabled to secure deposits under such a system on the faith of the proposed insurance; as in its present shape the proposal would remove all safeguards against recklessness in banking, and the chief, and in the end probably the only, benefit would accrue to the speculator, who would be delighted to enter the banking business when it was certain that he could enjoy any profit that would accrue, while the risk would have to be assumed by his honest and hard-working fellow. In short, the proposal is wholly impracticable unless it is to be accompanied by a complete revolution in our banking system, with a supervision so close as practically to create a government bank. If the proposal were adopted exactly as the Democratic platform suggests it would bring the whole banking system of the country down in ruin, and this proposal is itself an excellent illustration of the fitness for na-

tional control of a party which will commit itself to a scheme of this nature without the slightest sense of responsibility for the practical operation of the law proposed.

#### **Postal Savings Banks Much to be Preferred.**

The Democratic party announces its adhesion to this plan, and only recommends the tried system of postal savings banks as an alternative if the new experimental panacea is not available. The Republican party prefers the postal savings banks as one tried, safe and known to be effective, and as reaching many more people now without banking facilities than the new system proposed.

#### **Voluntary Plan for Guaranty.**

A plan for a guaranty of deposits by the voluntary act of the banks involved has been favorably reported to the House of Representatives. This is, of course, entirely different from the scheme in the Democratic platform, omitting, as it does, the features of compulsory participation. This proposition will unquestionably receive the thoughtful consideration of the national monetary commission.

#### **Republican Policies as to Dependencies.**

The Republican party has pursued consistently the policy originally adopted with respect to the dependencies which came to us as the result of the Spanish war.

#### **Porto Rico.**

The material prosperity of Porto Rico and the progress of its inhabitants toward better conditions in respect to comfort of living and education should make every American proud that this nation has been an efficient instrument in bringing happiness to a million people.

#### **Cuba.**

In Cuba the provisional government established in order to prevent a bloody revolution has so administered affairs and initiated the necessary laws as to make it possible to turn back the island to the lawfully elected officers of the Republic in February next.

#### **Philippines.**

In the Philippines the experiment of a national assembly has justified itself, both as an assistance in the government of the islands and as an education in the practice of self-government to the people of the islands. We have established a government with effective and honest executive departments, and a clean and fearless administration of justice; we have created and are maintaining a comprehensive school system which is educating the youth of the islands in English and in industrial branches; we have constructed great government public works, roads and

harbors; we have induced the private construction of eight hundred miles of railroads; we have policed the islands so that their condition as to law and order is better now than it ever has been in their history. It is quite unlikely that the people, because of the dense ignorance of 90 per cent, will be ready for complete self-government and independence before two generations have passed, but the policy of increasing partial self-government step by step as the people shall show themselves fit for it should be continued.

**Proposition of Democratic Platform Means Chaos.**

The proposition of the Democratic platform is to turn over the islands as soon as a stable government is established. This has been established. The proposal then is in effect to turn them over at once. Such action will lead to ultimate chaos in the islands and the progress among the ignorant masses in education and better living will stop. We are engaged in the Philippines in a great missionary work, that does our nation honor, and is certain to promote in a most effective way the influence of Christian civilization. It is cowardly to lay down the burden until our purpose is achieved.

**Hope of Prosperity in Change in Tariff Recommended by Republican Platform.**

Many unfortunate circumstances beyond human control have delayed the coming of business prosperity to the islands. Much may be done in this regard by increasing the trade between the islands and the United States, under tariff laws permitting reciprocal free trade in the respective products of the two countries, with such limitations as to sugar and tobacco imported into the United States as will protect domestic interests. The admission of 350,000 tons of sugar from the Philippine Islands in a foreign importation of 1,600,000 tons will have no effect whatever upon the domestic sugar interests of the United States, and yet such an importation from the Philippine Islands, not likely to be reached in ten years, will bring about the normal state of prosperity in these islands in reference to sugar culture.

The same thing is true of a similar limitation on the importation of tobacco. It is not well for the Philippines to develop the sugar industry to such a point that the business of the islands shall be absorbed by it, because it makes a society in which there are wealthy landowners, holding very large estates, with valuable and expensive plants and a large population of unskilled labor. In such a community there is no farming or middle class tending to build up a conservative, self-respecting community capable of self-government. There are many other products, notably that of Manila hemp, to which the energy of the islands can be and is being directed, the cultivation of which develops the class of small and intelligent farmers.



**Misconception as to Annual Cost of Philippines.**

One misconception of fact with respect to our Philippine policy is that it is costing the people of the United States a vast annual sum. The expenses of the war in the Philippines from 1898 to 1902 involved the government in an expenditure of less than \$175,000,000. This was incident to war. The fact is that since the close of the war in 1902 and the restoration of order in the islands the extra cost of the American troops of the regular army in the islands, together with that of maintaining about 4,000 Philippine scouts as a part of the regular army, does not exceed \$6,000,000 annually. This is all the expense to which the United States has been put for five or six years last past. The expenses of the civil government in the islands since its establishment have been met entirely from the proceeds of taxes collected in the islands, with but one notably generous and commendable exception, when the Congress of the United States appropriated \$3,000,000 in 1902 to relieve the inhabitants of the islands from the dangers of famine and distress caused by the death from rinderpest of three-fourths of the cattle of the islands.

**Veterans of Country's Wars.**

Both platforms declare, as they should, in favor of generous pensions for the veterans of the civil and Spanish wars. I stop to note the presence here of a body of veterans of Ohio, and to express my thanks for the honor they do me in coming. I am lacking in one qualification of all Republican Presidents since Lincoln, that of having been exposed to danger and death on the field of battle in defense of our country. I hope that this lack will not make the veterans think I am any less deeply thrilled by the memory of their great comrades gone before—Grant, Hayes, Garfield, Harrison and McKinley, all sons of Ohio, who left records reflecting glory upon their State and nation—or that my sympathies with the valor and courage and patriotism of those who faced death in the country's crises are any less earnest and sincere than they would be had I the right to wear a button of the Grand Army or of the veteran association of any of our country's wars.

**The Rights and Progress of the Negro.**

The Republican platform refers to those amendments to the Constitution that were passed by the Republican party for the protection of the negro. The negro, in the forty years since he was freed from slavery, has made remarkable progress. He is becoming a more and more valuable member of the communities in which he lives. The education of the negro is being expanded and improved in every way. The best men of both races, at the North as well as at the South, ought to rejoice to see growing up among the Southern people an influential element disposed to

encourage the negro in his hard struggle for industrial independence and assured political status. The Republican platform, adopted at Chicago, explicitly demands justice for all men without regard to race or color, and just as explicitly declares for the enforcement, and without reservation, in letter and spirit, of the thirteenth, fourteenth, and fifteenth amendments to the Constitution. It is needless to state that I stand with my party squarely on that plank in the platform, and believe that equal justice to all men and the fair and impartial enforcement of these amendments are in keeping with the real American spirit of fair play.

#### **Army and Navy.**

Mr. McKinley and Mr. Roosevelt and the Republican party have constantly advocated a policy with respect to the army and navy that will keep this republic ready at all times to defend her territory and her doctrines, and to assure her appropriate part in promoting permanent tranquillity among the nations. I welcome from whatever motive the change in the Democratic attitude toward the maintenance and support of an adequate navy, and hope that in the next platform the silence of the present platform in respect to the army will be changed to an acquiescence in its maintenance to the point of efficiency in connection with the efficiently reorganized militia and the national volunteers, for the proper defense of the country in times of war, and the discharge of those duties in times of peace for which the army, as at present constituted, has shown itself so admirably adapted in the Philippines, in San Francisco, in Cuba and elsewhere. We are a world power and cannot help it, and although at peace with all the world and secure in the consciousness that the American people do not desire and will not provoke a war with any other country, we must be prudent and not be lulled into a sense of security which would possibly expose us to national humiliation. Our best course, therefore, is to insist on the constant improvement in our navy and its maintenance at the highest point of efficiency.

#### **Protection of Citizens Abroad.**

The position which our country has won under Republican administrations before the world should inure to the benefit of every one, even the humblest, of those entitled to look to the American flag for protection, without regard to race, creed or color, and whether he is a citizen of the United States or of any of our dependencies. In some countries with which we are on friendly terms distinctions are made in respect to the treatment of our citizens traveling abroad and having passports of our executive, based on considerations that are repugnant to the principles of our government and civilization. The Republican party

and administration will continue to make every proper endeavor to secure the abolition of such distinctions, which in our eyes are both needless and opprobrious.

#### **Asiatic Immigration.**

In the matter of the limitation upon Asiatic immigration, referred to in the Democratic platform, it is sufficient to say that the present Republican administration has shown itself able, by diplomatic negotiations and without unnecessary friction with self-respecting governments, to minimize the evils suggested, and a subsequent Republican administration may be counted on to continue the same policy.

#### **Conservation of National Resources.**

The conservation of national resources is a subject to which the present administration has given especial attention. The necessity for a comprehensive and systematic improvement of our waterways, the preservation of our soil and of our forests, the securing from private appropriation the power in navigable streams, the retention of the undisposed of coal lands of the Government from alienation, all will properly claim from the next administration earnest attention and appropriate legislation.

#### **National Health Bureau.**

I have long been of opinion that the various agencies of the national government established for the preservation of the national health scattered through several departments should be rendered more efficient by uniting them in a bureau of the Government under a competent head, and that I understand to be in effect the recommendation of both parties.

#### **Publicity of Campaign Contributions and Expenditures.**

Another plank of the Democratic platform refers to the failure of the Republican convention to express an opinion in favor of the publicity of contributions received and expenditures made in elections. Here again we contrast our opponents' promises with our own acts. Great improvement has taken place under Republican auspices in respect to the collection and expenditure of money for this purpose. The old and pernicious system of levying tax on the salaries of government employees in order to pay the expenses of the party in control of the administration has been abolished by statute. By a law passed by the Republican Congress in 1907, contributions from corporations to influence or pay the expenses connected with the election of Presidential electors or of members of Congress are forbidden under penalty.

A resident of New York has been selected as treasurer of the Republican National Committee, who was treasurer of the Republican State Committee when Governor Hughes was elected



in New York, and who made a complete statement within twenty days after the election, as required by the New York law, of the contributions received by him and the expenditures made by him or under his authority in connection with that election. His residence and the discharge of his duties in the State of New York subject him to the law of that State as to all receipts of the treasury of the national committee from whatever source and as to all its disbursements. His returns will be under the obligations and penalties of the law, and a misstatement by him or the filing of a false account will subject him to prosecution for perjury and violation of the statute. Of course, under the Federal law, he is not permitted to receive any contributions from corporations.

If I am elected President I shall urge upon Congress, with every hope of success, that a law be passed requiring a filing in a Federal office of a statement of the contributions received by committees and candidates in elections for members of Congress, and in such other elections as are constitutionally within the control of Congress. Meantime the Republican party by the selection of a New York treasurer has subjected all its receipts and expenditures to the compulsory obligation of such a law.

#### **Income Tax.**

The Democratic platform demands two constitutional amendments, one providing for an income tax and the other for the election of Senators by the people. In my judgment an amendment to the Constitution for an income tax is not necessary. I believe that an income tax, when the protective system of customs and the internal revenue tax shall not furnish income enough for governmental needs, can and should be devised which under the decisions of the Supreme Court will conform to the Constitution.

#### **Election of Senators.**

With respect to the election of Senators by the people, personally I am inclined to favor it, but it is hardly a party question. A resolution in its favor has passed a Republican House of Representatives several times, and has been rejected in a Republican Senate by the votes of Senators from both parties. It has been approved by the legislatures of many Republican States. In a number of States, both Democratic and Republican, substantially such a system now prevails.

#### **Inaccuracy and Insincerity of Democratic Charges of Extravagance in Increase of Offices and Expenditures.**

Our opponents denounce the Republican party for increasing the number of offices 23,000, at a cost of \$16,000,000, during the last year. Such denunciation is characteristic of the Democratic platform. It fails to specify in any way what the offices are, and leaves the inference that the increase was resisted by the repre-

representatives of Democracy in Congress. As a matter of fact, the net number of offices increased was just about half the number stated; the increase was due chiefly to the enlargement of the navy, the construction of the Panama canal, the extension of the rural free delivery and to the new offices necessary in the enforcement of the pure food meat inspection, railroad rate regulation, arid land reclamation, forest preservation and other measures which Congress passed with almost unanimous popular approval. The Democratic platform, so far from attacking any of this legislation, specifically approves much and condemns none of it, and it is, of course, disingenuous to claim credit for approving legislation and yet to denounce the expenditures necessary to give it effect.

#### **Charge of Deficit.**

Again, it charges that a deficit of sixty millions of dollars between the receipts and expenditures during the fiscal year ending June 30, 1908, occurred. As explained by the Secretary of the Treasury, at least half of this deficit is only an apparent one. The falling off in receipts was, of course, occasioned by the unusual panic, but there is ample free money in the Treasury to meet the difference, and the difference itself is not half of it properly a deficit, because involved in it was the retirement of some thirty-three millions of the bonds of the Government.

During the past seven years the income and expenditures of the Government have been nearly equal, some years showing a surplus and others, fewer in number, a deficit. Taking one year with another, including this year, there has been an average surplus. The surplus last year, for instance, was greater than the deficit this year; so that, in fact, under the present administration there has been no deficit, but a surplus which is actually in the Treasury.

The Democratic platform nowhere points out the expenditures which might be reduced or avoided. It would be found generally that to the increases which have occurred, Democratic Representatives in Congress made no opposition, but rather supported the measures providing them, and now the party has not the courage to indicate what part of government cost it would end. It joins the Republican party specifically in approving the outlay of \$150,000,000 as pensions. It expressly favors also the cost of greatly increased river and harbor improvements, the cost of doubling the navy and of many other enterprises to which it urges the Government. Its attack, therefore, has nothing in it of fairness or sincerity.

#### **High Character and Efficiency of Administration.**

The truth is that it is known of all fair-minded men that there never has been an administration in the Government more efficiently conducted, more free from scandal, and in which the

standard of official duty has been set higher than in the present Republican administration, which the Democratic platform has thus denounced. It has had to meet the problems arising from the enormous expansion of government functions under new legislative measures, as well as in the new dependencies, and in the greatest constructive work of modern times, the Panama canal, and its members may well feel a just pride in the exceptional record for efficiency, economy, honesty and fidelity which it has made. We may rely upon our record in this regard in an appeal to the American people for their approval.

The foreign policy of this country under the present administration has greatly contributed to the peace of the world. The important part the administration took in bringing about an end of the Russian-Japanese war by a treaty honorable to both parties and the prevention of wars in Central America and Cuba are striking instances of this. The arbitration treaties signed with all the important nations of the world mark a great step forward in the development of the usefulness of The Hague tribunal. The visit of Secretary Root to South America emphasized our friendship for our sister republics, which are making such strides in the south hemisphere, and met with a most cordial and gratifying response from our Latin-American colleagues. The assistance which we are rendering in Santo Domingo to enable that government to meet its obligations and avoid anarchy is another instance of successful work of this administration in helping our neighbors.

This administration has, by the promptness, skill and energy of its negotiations, secured dominion in the Canal Zone of the Isthmus of Panama, without which the construction of the canal would have been impossible. It has subdued the heretofore insurmountable obstacle of disease and made the place of work healthy. It has created such an organization that in six years certainly, and probably in less, the Atlantic and Pacific will be united, to the everlasting benefit of the world's commerce and the effectiveness of our navy will be doubled.

The mere statement of the things actually done by this administration at home, in our dependencies and in foreign affairs, shows a marvel of successful accomplishment, and if ever a party has entitled itself to the approval of its works by a renewed mandate of power from the people whom it served it is the Republican party in the present campaign.

The only respect in which nothing has been done is in the development of our foreign marine. As long as we uphold the system of protection for our home industries we must recognize that it is inapplicable to assist those of our citizens engaged in the foreign shipping business, because there is no feasible means of excluding foreign competition, and that the only other method of building up such a business is by direct aid in the



form of a mail subsidy. I am in favor of the bill considered in the last Congress as a tentative step. The establishment of direct steamship lines between our Atlantic ports and South America would certainly do much to develop a trade that might be made far greater. On the Pacific the whole shipping trade threatens to pass into the control of Japan. Something ought to be done, and the bill which failed was a step in the right direction.

#### **Independent Democrats.**

The Democratic party under its present leadership in previous campaigns has manifested a willingness to embrace any doctrine which would win votes, with little sense of responsibility for its practical operation. In its striving for success it has ignored the business prosperity of the country, has departed from sound economic and governmental principles, and has reversed its own traditional views of constitutional construction. Patriotic members of the party have refused to be controlled by party ties, and have either refrained from voting or have supported the Republican candidate. May we not appeal to these courageous and independent citizens again to give us their support in this campaign, because the reasons for their breaking the bonds of party are stronger to-day than ever before?

#### **Length of Speech Made Necessary by Numerous Issues.**

I have now reviewed at great length the principles at issue between the two parties. When I began the preparation of this speech of acceptance I had hoped to make it much briefer than it is, but I found on an examination of the platform and on a consideration of the many measures passed during the present administration and the issues arising out of them that it was impossible to deal with the subjects comprehensively with proper explanation and qualification in a short discussion. This is my excuse.

#### **Difference Between Parties: Prosperity With Republican Success; Business Disaster With Democratic Victory.**

I have pointed out that the attitude of the Republican party with reference to evils which have crept in, due to the enormous material expansion of this country, is to continue the Roosevelt policies of progress and regulation, while the attitude of the Democratic party under its present leadership is the change for the sake of change to the point of irresponsible destruction, and that there is no hope whatever of a restoration of prosperity in returning it to power. As said in our platform, we Republicans go before the country asking the support, not only of those who have acted with us heretofore, but of all our fellow-citizens who, regardless of past political differences, unite in the desire to maintain the policies, perpetuate the blessings, and make secure, the achievements of a greater America.

## PRESIDENT ROOSEVELT ENDORSES MR. TAFT'S CANDIDACY.

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**Tells Why Mr. Taft is Especially Fitted to be a Great  
President.**

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The following letter was written by President Roosevelt to Mr. Conrad Kohrs, of Helena, Montana, an old-time cattleman and one of the most prominent citizens of his State. He and the President came into close relationship more than twenty years ago when both were members of the Montana Stock Growers Association, the President being at that time the representative of the Little Missouri Stock Growers in the Association. The intimacy has been kept up ever since. Mr. Kohrs is one of the pioneer citizens of the Northern Rocky Mountain region and one of the men who has taken a leading part in its development. The letter which he wrote to the President and to which the following is a response was called forth by Mr. Bryan's statement that he (Mr. Bryan) was the President's heir and natural successor.

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SAGAMORE HILL,

OYSTER BAY, N. Y., September 9, 1908.

MY DEAR MR. KOHRS—I have received your letter about the candidacy of Mr. Taft, the man who I feel is in an especial sense the representative of all that in which I most believe in political life.

Every good citizen should desire to see both prosperity and justice, prosperity and fair and righteous dealing as between man and man, obtain permanently in this great Republic. As a people we are justly proud of our business industry, of our energy and intelligence in our work; and it is entirely right that we should ask ourselves as to any given course of conduct, "Will it be profitable?" But it is also no less emphatically true that the bulk of our people, the plain people who found in Abraham Lincoln their especial champion and spokesman regard the question, "Is this morally right?" as even more important than the question, "Is this profitable?" when applied to any given course of conduct. Indeed, in the long run our people are sure to find that in all dealings, alike in the business and the political world, what is really

profitable is that which is morally right. The last few years have seen a great awakening of the public conscience and the growth of a stern determination to do away with corruption and unfair dealing, political, economic, social. It is urgently necessary that this great reform movement should go on. But no reform movement is healthy if it goes on by spasms; if it is marked by periods of frenzied advance, followed, as such periods of frenzied advance must always be followed, by equally violent periods of reaction. The revolutionary and the reactionary really play into one another's hands, to the extent that each by his excesses necessarily tends to arouse such disgust, such a feeling of revolt, in the minds of quiet people, as temporarily to restore the other to power. To permit the direction of our public affairs to fall alternately into the hands of revolutionaries and reactionaries, of the extreme radicals of unrest and of the bigoted conservatives who recognize no wrongs to remedy, would merely mean that the nation had embarked on a feverish course of violent oscillation which would be fraught with great temporary trouble, and would produce no adequate good in the end. The true friend of reform, the true foe of abuses, is the man who steadily perseveres in righting wrongs, in warring against abuses, but whose character and training are such that he never promises what he cannot perform, that he always a little more than makes good what he does promise, and that, while steadily advancing, he never permits himself to be led into foolish excesses which would damage the very cause he champions. In Mr. Taft we have a man who combines all of these qualities to a degree which no other man in our public life since the Civil war has surpassed. To a flaming hatred of injustice, to a scorn of all that is base and mean, to a hearty sympathy with the oppressed, he unites entire disinterestedness, courage both moral and physical of the very highest type, and a kindly generosity of nature which makes him feel that all of his fellow-countrymen are in very truth his friends and brothers, that their interests are his, and that all his great qualities are to be spent with lavish freedom in their service. The honest man of means, the honest and law-abiding business man, can feel safe in his hands because of the very fact that the dishonest man of great wealth, the man who swindles or robs his fellows, would not so much as dare to defend his evil-doing in Mr. Taft's presence. The honest wage-worker, the honest laboring man, the honest farmer, the honest mechanic or small trader, or man of small means, can feel that in a peculiar sense Mr. Taft will be his representative because of the very fact that he has the same scorn for the demagogue that he has for the corruptionist, and that he would front



threats of personal violence from a mob with the unquailing and lofty indifference with which he would front the bitter anger of the wealthiest and most powerful corporations. Broad though his sympathies are, there is in him not the slightest tinge of weakness. No consideration of personal interest, any more than of fear for his personal safety, could make him swerve a hair's breadth from the course which he regards as right in the interest of the whole people.

I have naturally a peculiar interest in the success of Mr. Taft, and in seeing him backed by a majority in both houses of Congress which would heartily support his policies. For the last ten years, while I have been Governor of New York and President, I have been thrown into the closest intimacy with him, and he and I have on every essential point stood in heartiest agreement, shoulder to shoulder. We have the same views as to what is demanded by the national interest and honor, both within our own borders, and as regards the relations of this nation with other nations. There is no fight for decency and fair dealing which I have waged in which I have not had his heartiest and most effective sympathy and support, and the policies for which I stand are his policies as much as mine.

It is not possible in the space of this letter to discuss all the many and infinitely varied questions of moment with which Mr. Taft as President would have to deal; let him be judged by what he has himself done, and by what the administration, in which he has played so conspicuous a part, has done. But to illustrate just what his attitude is, let me touch on two matters now prominent in the public mind.

Mr. Taft can be trusted to exact justice from the railroads for the very reason that he can be trusted to do justice to the railroads. The railroads are the chief instruments of interstate commerce in the country, and they can neither be held to a proper accountability on the one hand nor given proper protection on the other, save by the affirmative action of the Federal Government. The law as laid down by the Federal courts clearly shows that the States have not and cannot devise laws adequate to meet the problems caused by the great growth of the railroads doing an interstate commerce business, for more than four-fifths of the business of the railroads is interstate, and under the Constitution of the United States only the Federal Government can exercise control thereover. It is absolutely necessary that this control should be affirmative and thorough going. All interstate business carried on by the great corporations should, in the interest of the whole people, be far more closely supervised than at present by the National Government; but this is especially true of the railroads, which cannot exist at all save by the

exercise of powers granted them on behalf of the people, and which, therefore, should be held to a peculiar accountability to the people. It is in the interest of the people that they should not be permitted to do injustice; and it is no less to the interest of the people that they should not suffer injustice. Their prime purpose is to carry the commodities of the farmers and the business men; they could not be built save for the money contributed to them by their shareholders; they could not be run at all save for the money paid out in wages to the railroad employees; and, finally, they could not be run judiciously, or profitably to any one, were it not for the employment by them of some masterful guiding intelligence, whether of one man or of a group of men. There are therefore several sets of interests to be considered. Each must receive proper consideration, and when any one of them selfishly demands exclusive consideration the demand must be refused. Along certain lines all of these groups have the same interests. It is to the interest of shipper, farmer, wage-worker, business man, honest shareholder, and honest manager alike that there should be economy, honesty, intelligence, and fair treatment of all. To put an effective stop to stock watering would be a benefit to everybody except the swindlers who profit by stock-watering; it would benefit the honest shareholder because honest investments would not be brought into competition with mere paper; it would benefit the wage-worker because when the money earned does not have to go to paying interest on watered capital, more of it is left, out of which to pay wages; it would benefit the shipper because when only honest stockholders have to be paid interest, rates need not be improperly raised; it would benefit the public because there would be ample money with which to give efficient service. Similarly, the prevention of favoritism as among shippers does no damage to any one who is honest, and confers great good upon the smaller business man and the farmer, whom it relieves of oppression. Again, such supervision of accounts and management as will prevent crookedness and oppression works good, directly or indirectly, to all honest people. Therefore everything that can be done along all these lines should be done; and no man's legitimate interest would thereby be hurt. But after this point has been reached great care must be exercised not to work injustice to one class in the effort to show favor to another class, and each class naturally tends to remember only its own needs. The stockholders must receive an ample return on their investments, or the railroads cannot be built and successfully maintained; and the rates to shippers and the wages to employees, from the highest to the lowest, must all be conditioned upon this fact. On the other hand,

in a public service corporation we have no right to allow such excessive profits as will necessitate rates being unduly high and wages unduly low. Again, while in all proper ways rates must be kept low, we must always remember that we have no right and no justification to reduce them when the result is the reduction of the wages of the great army of railroad men. A fair working arrangement must be devised according to the needs of the several cases, so that profits, wages and rates shall each be reasonable with reference to the other two—and in wages I include the properly large amounts which should always be paid to those whose masterful ability is required for the successful direction of great enterprises. Combinations which favor such an equitable arrangement should themselves be favored and not forbidden by law; although they should be strictly supervised by the Government through the Interstate Commerce Commission, which should have the power of passing summarily upon not only the question of the reduction but the raising of rates.

This railroad problem is itself one of the phases of one of the greatest and most intricate problems of our civilization; for its proper solution we need not merely honesty and courage, but judgment, good sense, and entire fairmindedness. Demogogy in such a matter is as certain to work evil as corruption itself. The man who promises to raise the wages of the railroad employees to the highest point and at the same time to reduce rates to the lowest point is promising what neither he nor anyone else can perform; and if the effort to perform it were attempted disaster would result to both shipper and wage-worker, and ruin to the business interests of the country. The man to trust in such a matter is this is the man who, like Judge Taft, does not promise too much, but who could not be swayed from the path of duty by any argument, by any consideration; who will wage relentless war on the successful wrongdoer among railroad men as among all other men; who will do all that can be done to secure legitimately low rates to shippers and absolute evenness among the rates thus secured; but who will neither promise nor attempt to secure rates so low that the wage-earner would lose his earnings and the shareholder, whose money built the road, his profits. He will not favor a ruinous experiment like government ownership of railways; he will stand against any kind of confiscation of honestly acquired property; but he will work effectively for the most efficient type of government supervision and control of railways, so as to secure just and fair treatment of the people as a whole.

What is here said as to his attitude on the railway question applies to the whole question of the trusts. He will



promise nothing on this subject unless he firmly believes he can make his promise good. He will go into no chimerical movement to destroy all great business combinations; for this can only be done by destroying all modern business; but he will in practical fashion do everything possible to secure such efficient control, on behalf of the people as a whole, over these great combinations as will deprive them of the power to work evil. Mr. Taft's decision in the Addystone Pipe Line case while on the bench is proof, by deeds not by words, of the far-sighted wisdom with which he serves the interests of the whole people even when those of the most powerful corporations are hostile thereto.

If there is one body of men more than another whose support I feel I have a right to challenge on behalf of Secretary Taft it is the body of wage-workers of the country. A stauncher friend, a fairer and truer representative, they cannot find within the borders of the United States. He will do everything in his power for them except to do that which is wrong; he will do wrong for no man, and therefore can be trusted by all men. During the ten years of my intimate acquaintance with him, since I have myself, as Governor and President, been obliged to deal practically with labor problems, he has been one of the men upon whose judgment and aid I could always rely in doing everything possible for the cause of the wage-worker, of the man who works with his hands, or with both hands and head.

Mr. Taft has been attacked because of the injunctions he delivered while on the bench. I am content to rest his case on these very injunctions; I maintain that they show why all our people should be grateful to him and should feel it safe to entrust their dearest interests to him. Most assuredly he never has yielded and never will yield to threat or pressure of any sort as little if it comes from labor as if it comes from capital; he will no more tolerate the violence of a mob than the corruption and oppression and arrogance of a corporation or of a wealthy man. He will not consent to limit the power of the courts to put a stop to wrongdoing wherever found. This very fact should make the labor people feel a peculiar confidence in him. He has incurred the bitter hostility of foolish and bigoted reactionaries by his frank criticism of the abuse of the power of injunction in labor disputes, and he is pledged to do all he can to put a stop to the abuses in the exercise of the power of injunction. He will never promise anything that he will not do all in his power to perform. He can always be trusted to do a little better than his word, and the fact that before election he will not promise the impossible is in itself a guaranty that after election all that is possible will be done.

His record as a judge makes the whole country his debtor. His actions and decisions are part of the great traditions of the bench. They guaranteed and set forth in striking fashion the rights of the general public as against the selfish interests of any class, whether of capitalists or of laborers. They set forth and stand by the rights of the wage-workers to organize and to strike, as unequivocally as they set forth and stand by the doctrine that no conduct will be tolerated that would spell destruction to the nation as a whole. As for the attack upon his injunctions in labor disputes, made while he was on the bench, I ask that the injunctions be carefully examined. I ask that every responsible and fairminded labor leader, every responsible and fairminded member of a labor organization, read these injunctions for himself. If he will do so, instead of condemning them he will heartily approve of them and will recognize this further astonishing fact that the principles laid down by Judge Taft in these very injunctions, which laboring people are asked to condemn, are themselves the very principles which are now embodied in the laws or practices of every responsible labor organization. No responsible organization would now hesitate to condemn the abuses against which Judge Taft's injunctions were aimed. The principles which he therein so wisely and fearlessly laid down serve as a charter of liberty for all of us, for wage-workers, for employers, for the general public; for they rest on the principles of fair dealing for all, of even-handed justice for all. They mark the judge who rendered them as standing for the rights of the whole people; as far as daylight is from darkness, so far is such a judge from the time-server, the truckler to the mob, or the cringing tool of great, corrupt and corrupting corporations. Judge Taft on the bench—as since, in the Philippines, in Panama, in Cuba, in the War Department—showed himself to be a wise, a fearless, and an upright servant of the whole people, whose services to the whole people were beyond all price. Moreover, let all good citizens remember that he rendered these services, not when it was easy to do so, but when lawless violence was threatened, when malice, domestic and civic disturbance threatened the whole fabric of our government and of civilization; his actions showed not only the highest kind of moral courage but of physical courage as well, for his life was freely and violently threatened.

Let all fair-minded men, wage-workers, and capitalists alike, consider yet another fact. In one of his decisions upon the bench Judge Taft upheld in the strongest fashion, and for the first time gave full validity to, the principle of the employers' liability for injuries done workmen. This was

before any national law on the subject was enacted. Judge Taft's sense of right, his indignation against oppression in any form, against any attitude that is not fair and just, drove him to take a position which was violently condemned by short-sighted capitalists and employers of labor, which was so far in advance of the time that it was not generally upheld by the State courts, but which we are now embodying in the law of the land. Judge Taft was a leader, a pioneer, while on the bench, in the effort to get justice for the wage-worker, in jealous championship of his rights; and all upright and far-sighted laboring men should hold it to his credit that at the same time he fearlessly stood against the abuses of labor, just as he fearlessly stood against the abuses of capital. If elected, he has shown by his deeds that he will be President of no class, but of the people as a whole; he can be trusted to stand stoutly against the two real enemies of our democracy—against the man who to please one class would undermine the whole foundation of orderly liberty and against the man who in the interest of another class would secure business prosperity by sacrificing every right of the working people.

I have striven as President to champion in every proper way the interests of the wage-worker; for I regard the wage-worker, excepting only the farmer, the tiller of the soil, as the man whose well-being is most essential to the healthy growth of this great nation. I would for no consideration advise the wage-worker to do what I thought was against his interest. I ask his support for Mr. Taft exactly as I ask such support from every far-sighted and right-thinking American citizen; because I believe with all my heart that nowhere within the borders of our great country can there be found another man who will as vigilantly and efficiently as Mr. Taft support the rights of the working man as he will the rights of every man who in good faith strives to do his duty as an American citizen. He will protect the just rights of both rich and poor, and he will war relentlessly against lawlessness and injustice whether exercised on behalf of property or of labor.

On the bench Judge Taft showed the two qualities which make a great judge; wisdom and moral courage. They are also the two qualities which make a great President.

Sincerely yours,

THEODORE ROOSEVELT.

MR. CONRAD KOEBS.

Helena, Montana.



# PRESIDENT ROOSEVELT'S LETTER TO CHAIRMAN McKINLEY ON THE NE- CESSITY OF ELECTING A REPUBLI- CAN HOUSE.

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SAGAMORE HILL,

OYSTER BAY, N. Y., September 9, 1908.

MY DEAR SIR: I have received your letter of August 28th. I agree with all that you say as to the amount of affirmative and constructive legislation for the social and economic benefit of our people which has been accomplished by the Congress during the last seven years. The law establishing a national system of irrigation was of vital importance and stands in its line as second only to the homestead law. The interstate commerce law has been amended so as to make it a new law, with three-fold the efficiency of the old law. The enactment of the pure food law was of almost or quite equal importance. The creation of the Department of Commerce and Labor, together with the creation of Bureau of Corporations, which marks the beginning of Federal control over the huge corporations doing an interstate business, the employers' liability law, the safety appliance law, the law limiting the working hours of railways employees, the meat inspection law, the denatured alcohol law, the anti-rebate law, the law increasing the powers of the Department of Justice in dealing with those, regardless of wealth and power, who infract the law, the law making the Government liable for injuries to its employees, **the laws under which the Panama Canal was acquired and is being built.** the Philippines administered and the navy developed, the laws creating a permanent Census Bureau and reforming the consular service and the system of naturalization, the law forbidding child labor in the District of Columbia, the law providing a commission under which our currency system can be put on a thoroughly satisfactory basis, the laws for the proper administration of the forest service, the laws for the admission of Oklahoma and the development of Alaska, the great appropriations for the development of agriculture, the legal prohibition of campaign contributions from corporations—all these represent but a portion of what has been done by Congress, and form a record of substantial legislative achievement in harmony with the best and most progressive thought

of our people. It is urgently necessary, from the standpoint of the public interest, to elect Mr. Taft, and a Republican Congress which will support him; and they seek election on a platform which specifically pledges the party, alike in its executive and legislative branches, to continue and develop the policies which have been not merely professed but acted upon during these seven years. These policies can be successfully carried through only by the hearty cooperation of the President and the Congress in both its branches and it is therefore peculiarly important that there should obtain such harmony between them. To fail to elect Mr. Taft would be a calamity to the country; and it would be folly, while electing him, yet at the same time to elect a Congress hostile to him, a Congress, which under the influence of partisan leadership, would be certain to thwart and baffl him on every possible occasion. **To elect Mr. Taft, and at the same time to elect a Congress pledged to support him, is the only way in which to perpetuate the policy of the Government as now carried on.** I feel that all the aid that can be given to this policy by every good citizen should be given; for this is far more than a merely partisan matter.

Both your Committee, and the National Committee, of which Mr. Hitchcock is Chairman, are endeavoring to secure the active cooperation on the stump of Senators and Congressmen, party leaders and independent citizens generally. I most heartily join in urging the importance of such cooperation. I hope that every disinterested private citizen whose sole concern in politics is to have the right kind of man carry out the right kind of policy, will join in backing up your Committee as well as the National committee in this movement. No service is as effective, as valuable, as the disinterested service given in such manner by men whose one concern is for the triumph of the principle in which they believe; and I appeal with all the strength there is in me to such men to give such support.

Sincerely yours,

THEODORE ROOSEVELT

HON. WM. B. MCKINLEY,

Chairman, Republican Congressional Committee,  
St. James Building, New York, N. Y.

## GROVER CLEVELAND PREDICTS WM. H. TAFT'S ELECTION.

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"Mr. Taft's excellence as a Federal Judge is not to be over-emphasized; his high ideals of honesty and justice are valuable and commendatory."

"The South has long taken a stubborn, foolish pride in its enlistment under the Democracy, and has stood like a rock in its part sanship."

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[From the New York Times, August 30, 1908.]

Just before his death Mr. Cleveland planned the writing of three articles on the Presidential campaign of 1908. The first article was to be a general discussion of the political field, the issues and the men; the second was to deal with the issues developed by the conflict of the two parties, to appear in September; and the third was to deal with the doubtful States, this to be published shortly before the election. The first article was finished. Whether he made a beginning on either of the other articles is doubtful, as no trace of either has been found among his papers. The first article is published by the Times today by an arrangement made between a literary agent and Mr. Frederick S. Hastings, the executor of Mr. Cleveland's estate.

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Each quadrennial campaign is a recrudescence in the affairs of the American people; formative of new endeavors in our National life from the mass of the old mingled with new and untried. We are overfond of change and amendment, and at times reckless of underlying principles, which are not susceptible of change, and to antagonize which may mean disaster and at least is certain to entail stultification and impairment of the best of our past and present.

The campaign on which we are entering signalizes the crystallization of more that is new than any other within forty years, and is not so important for the policies that it will fix for the next four years as for the greater changes that its results will be found to foreshadow. Over our horizon



lift the blunt heads of clouds of storm, and the low mutter of distant thunder is heard beneath the basic roar of our eighty millions moving on. It is the earnest wish of one whose heart has long been engrossed with his country's greatest and best in the ultimate that the men who shall take over her ward and keep shall fail not nor falter in that day more than those statesmen of the past whose giant figures loom in the vista of our history mutely monitive to emulation.

For a time there were those who feared that there was an obliquity in the standard of our civic morality which marked a degeneracy not to be averted, and greed, disintegrity, and malfeasance strode unabashed through the courses of our official functions. But we have lived to realize that it was merely an excrescence of the times, that it was something transitory, like unto the slough of a wound, and that its prevalence and persistency were needed to rouse the opposition necessary to its final obliteration. So, it seems to me, as I review the last half century, that from the mental vision I may draw this certain conclusion: We as individuals and citizens are better, wiser, cleaner handed than we were, and are rising steadily to planes higher than we have yet known. It is true in one way that the "evil that men do lives after them and the good is too oft interred with their bones," but that survival is more in effect than in popular consciousness.

We are prone to think of the past as better than the present and to forget that which was publicly discreditable in the last decade or the last generation. Considering these matters and conditions of which I have had some opportunities of being informed, no hesitancy comes in saying that the agitation in behalf of common honesty in the past few years has had a notable effect, not only in the immediate conditions that underlay the agitation, but in the broader things of our intimate life as a people. Never has a more intelligent body of voters prepared to go to the polls, and never one more thoroughly awakened to its moral responsibilities.

It is unfortunate at all times of course that a rigid partisan spirit should hold certain sections of the country to whatever course of action is provided for them by the leaders of the party to which they are committed, no matter whether that principle defining the course be some innocent sophistry or some dangerous obsession of a set of blatant

demagogues. To be specific, the population of some of the New England States is so inherently Republican that the fallacy would be palpable indeed that would not earn their support just so it had the approval of the leaders of the Republican Party. On the other hand, the South has long taken a stubborn, foolish pride in its enlistment under the Democracy and has stood like a rock in its partisanism at times when there are now few who would not admit that had its stand been one in the grounds of victory the consequences to the country, and particularly to the South itself, with her undeveloped industries dependent in their young growth on stable and favorable conditions at large, would have been direly unfortunate and productive of injury that cannot be estimated.

There is no suggestion of a sentiment of disloyalty on my part to the older principles of Democracy under which I have striven always to do my public duty in matters large and small when I say that there is a large indication that the coming years will bring forth a new ascendancy of those same principles, perhaps under a different panoply, and perhaps with a reincorporation of the decayed fragments of an organization that failed to serve its purpose. No political party in any country has ever been wrecked by continued consistency with the principles that originally made it a power, the rocks on which it fell invariably being the errors of opportunists. The present campaign as a side feature will have a long step in the progress to the readjustment to first principles, and it is propitious indeed that there is no issue of such gravity that those principles are needed to determine it. Never has there been a safer time for the rehabilitation to proceed.

When it became apparent that Mr. Taft would be the nominee of his party, that Mr. Hearst and his party would make a clean-cut effort for emplacement as a National factor and not endeavor to gain any immediate advantage for themselves by any such process as fusion, in fact would seek to destroy Bryanism, or rather Mr. Bryan's hold on the Democratic Party, not by forcing the hold to relax, but by lessening that which he had to hold, conjecture as to the result in the November conclusions could be of but one sort among sensible men. With the several other parties disorganizing, re-developing and pro-creating, the Republican

party is certain, though with a considerably lessened strength, to move on to a safe victory sustained by the popular support of reforms which should not redound to its glory solely, those reforms having been the work of decent men of all parties.

There is fear on my part of being misunderstood in what I am about to say, but surely the fair-minded man must realize when he considers my attitude toward my own party, all now a matter of immutable record, that it is prompted by a sense of simple fairness. Personally and officially I have had the opportunity of knowing many things concerning Mr. Taft that were not a matter of general knowledge, and with a keen interest I have watched his large share in the conduct of our National affairs in very recent years. His excellence as a Federal Judge in Cincinnati is something not to be underestimated or overemphasized, for should he come to the Presidential chair the qualities which made him a Judge of high ability, which I know him to have been, will be the most needful to him as President of the United States. His high ideals of honesty and of relative justice, his great capacity for severe labor, and his humorous wisdom in the face of the serious problem are attributes equally valuable and commendatory to a people seeking him in whom they may repose the trust of their collective interests while they turn their increased attention to their pressing individual demands.

Whatever may be said as to the events of the past ten years which are alleged to have made us a world power, there remains small opportunity for controversy over the essential features of our conduct in the face of the problems brought to face us by those happenings. Now, from being self-contained and compact in our political geography and federated in our common interests wherever our dominion was established, we have become extended and have increased the span of the arch of our structure, and must undertake to equate the widely different concerns of individuals and communities antithetical as to race, traditions, and modes of life and antipodal as to location on the face of the earth. Dwelling on the unwisdom of prematurely acquiring colonies is fatuous, the National duty is neither to help those colonies for their exploitation nor to cast them off to avoid the burden of their responsibilities. The questions involved are no more



matters to be harrowed through the mill of politics than is the policy of the Panama Canal something to be stamped either as Republican or Democratic.

These questions are fruitful of trouble and perturbation, and the primary requisite of the man or men who must deal with them is an abundant knowledge of the people of the out-lying domain. That Mr. Taft is possessed of this knowledge as is no other man in the country is hardly to be denied; granted that he has had extraordinary opportunities, he has shown himself able to improve those opportunities in a manner which it is not extravagant to say will be his broadest claim so far to enduring fame when the acute visual distortion of the present and opportune shall have given place to the inexorable perspective of history in which the relative values of public deeds to public duties are completely clarified and announced to posterity. The misery and misfortune which an ignorant or obstinate administrator, no matter how high the ethical standard of his motives, could entail upon our wards of the Pacific and Caribbean are appalling to contemplate; were his administration to be at fault in any other particular, in those things Mr. Taft's record shows him to be entirely dependable.

Since the last Presidential election there have been the following large movements of public sentiment which have bearing either remotely or immediately pertaining to the present campaign: The temperance sentiment has developed marvelously and extended to a greater scope than anything else in our history since the abolition of slavery; the evils of the various forms of gambling have provoked a smaller though considerable reform; the manifest wrongs of the tariff system have excited clamor, based on anger and resentment throughout the business world; the growing power of corporate interests have met a stubborn retaining wall in the resistance of the individual to domination or disadvantage, and the doctrines of Socialism, long looked upon as an ex-pression of economic friction, have entered deeply into the thought of a disturbed people, and must be reckoned with.

The movement which has resulted in the closing of a hundred thousand saloons is fortunately something non-political, or, rather, it is so local a matter and is so nicely equalized that it can have no general party effect. In New York State the action of Gov. Hughes in compelling the

race-track gambling legislation has merely served to widen the breach between the Democratic city and the Republican country. Not in this election or the next is the question of the tariff at all likely to be a paramount issue of the principle involved. That will come later when conditions have altered nationally and our foreign trade interests have assumed something of the gigantic proportions that are their ultimate destiny.

In the policies of the present administration, which are announced as to be continued should Mr. Taft receive both nomination and election, there is an effect on the present campaign of a very puzzling nature indeed. If there were three large parties, one Liberal, one Radical, and the third Conservative, there is no doubt that the East and the manufacturing West would assemble its forces behind the Conservative standard and would carry them forward to a meagre victory, but this is to be a campaign in which the vested interests can have no candidate and in which they can best secure their selfish ends by taking the safer choice. It is not likely that the business interests of the country would be disturbed by the victory of either party, and certainly Mr. Taft's reiterated attitude toward corporations of all sorts contains no hint that fair dealing on their part will be met with anything but conservative and discriminating generosity on the part of his Administration. From impressions gathered among men with much at stake, it is clear to me that the corporate interests of the country, though convinced that illegal combinations, illegal repression of competition, and illegal exploitation of the public are things which the public intends to make no longer possible, have no fear of the outcome, knowing that honesty, whether compulsory or voluntary, never caused a panic or a decline in genuine values.

Gravely different, however, are the facts underlying the social movement. It must be realized that this is no agitation for a fairer adjustment of matters between capital and labor; it is something which attacks with the idea of destruction, the fundamental idea of property, and the plain principle of wage employment. With Socialism in the ascendency, capital and labor cease to be things which their terms now signify. It is not within my province to discuss.

controvert, or even elucidate the opposed conditions; rather should the political effect be considered.

Quite as the average citizen viewed with astonishment the total figures of the last election, seeing that even against the tide of Mr. Roosevelt's personal popularity Mr. Debs had polled nearly half a million votes, so will they contemplate the results in November. If Mr. Hearst's party were not in the field, and therefore should not draw to it a large body of disaffected voters who will be chary of advocating radical Socialism, and the Socialist and Socialist Labor parties were to mark the full count of those who have become imbued with the fallacies of the non-competitive state of society they would be found to be more than a million strong, and it will be no matter of surprise to me if the returns show more than that up to the point of having tripled the record made four years ago.

The union labor vote is an indeterminate quality and never will be more in America. In the first place, the causes that make a union are usually local and conflict with broader interests, as is quickly found when an effort is made to treat them as general. The mere fact of being federated on the basis of a single interest, that of common employment as skilled laborers for wages, can never force the mass of union men to act politically with anything like solidarity. We have seen the labor vote of a district crush a Congressman, or the labor men of a State make a Governor or control a Legislature, but never will it be possible for the National labor vote to be anything more than a myth, except when workingmen, no matter whether union or non-union, individually determine that a vote for a National candidate and his party platform means a continuance of their prosperous estate, or an improvement in one that is bad.

Preponderating in its importance to the future as to peace or war, and international relations and commerce, is the integrity, sanity, and perspicacity of the new Congress. Without wishing to be understood as anticipating attempts from the exterior to hinder our progress or balk the peaceful, prosperous course of our development, it would be an evasion for me to conclude this paper without taking cognizance of our international situation and its relation to the campaign. As I have intimated, there is no more reason to



consider ourselves a world power now than in the days when our fleet met the British on equal terms or when we went into the Mediterranean to punish pirates or, though young and raw, dared to balk the European programme that made Maximilian Emperor of Mexico.

While it is true that our powers have multiplied many times since then, it must be remembered that the military establishments and colonial activities of Europe have more than quadrupled. We are merely returning to our own in some things, though taking on a new importance in others. We are palpably drifting into a set of relations toward other powers, especially in the matters of China, Hawaii, and the Philippines, from which we can emerge without war only through the strongest and wisest statesmanship; nevertheless, the justice and humanitarianism of our acts and policies will serve us in the highest degree, and we may be able to surmount the crisis without those certain results which would be deplorable in the extreme.

It is not often that Congress has shown itself fitted to deal wisely with conditions outside our borders, compared with its handling of domestic affairs, and our political economy places such a potentiality for mischief in our deliberative assemblage that it might undo all the craft of State and the wisdom and conservatism of the Executive. For months the indications have been that the next Congress would see many new faces, and the country may look for Republicans from the South and Democrats from New England at a rate and with a diffusion that will be truly surprising.

But when the misadventures of parties, misled by sophisticated, sympathy-mad leaders, trumpet false calls to reform, treacherous distortions of sentiment subordinating private interests and the well meaning but overheated blunderings of the impetuous are all met and ordained, there must rise the final good, for the Hand of the Almighty lies to hold and guide, steadily, unwavering, and eternally secure, and through His infinite mercy we shall come to the fulfillment of our mission, foretold with our birth, nobly begun in our youth, for the uplifting of our race and our brothers of the favors not our own.

GROVER CLEVELAND.

## FOREWORD.

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The purpose of this book is to furnish in concise and convenient form for reference such information as is likely to be required by speakers, writers, and others participating in the discussions of the Presidential campaign of 1908. However well advised the speaker or writer may be upon the topics of the campaign, he will require for reference many facts and figures which can only be had by consulting numerous publications, many of them so bulky as to be practicable for desk use only. This work is intended to present in concise and portable form the more important of these facts and figures, so condensed and arranged as to be convenient for ready reference in the field, on the stump, upon the train, or wherever they may be desired. The arrangement of the book will be apparent upon an examination of the table of contents which occupies the opening page. Each of the subjects likely to require discussion is treated under its proper title and followed by such statistical statements as may be required for further reference. A copious index which follows the table of contents will enable those utilizing the volume readily to find the detailed facts which they may require for instant reference. The statistical and historical statements presented in the discussions have been carefully verified and the authority, in the more important statements, cited, while the tables are in most cases from official publications of the Government or from accepted authorities.

It has been deemed proper to present as fully as practicable information upon subjects likely to receive especial attention, and the space allotted to the chapters on Control of Corporations, the Money Panic, and the relief afforded by the Treasury Department, Wages and Prices, Tariff, the Philippines, and the Work of the Army has been adjusted to the possible requirements of those desiring information upon these subjects. Much unfounded criticism has been offered by the Democrats with reference to the enlargement of the Army and the expenditures under its operations, and it has therefore been deemed proper to present somewhat in detail information regarding the work which it has so successfully accomplished both in war and in the development of conditions at home. The criticisms of the work of the party in regard to the Philippines, coming from a party which has already the record of having hauled down the American flag in islands of the Pacific, suggest the importance of a full presentation of the splendid work done in those islands. The constant but unfounded assertions that cost of living has advanced more than wages justifies the detailed discussion of this subject which will be found in the chapter entitled "Labor, Wages, and Prices," and especial attention is called to the information there presented which fully disproves these assertions.

### EXTRACTS FROM THE CONGRESSIONAL RECORD.

Another volume, entitled "Extracts from the Congressional Record," contains brief extracts from speeches delivered in Congress upon subjects likely to be discussed in the present campaign. *It contains the best utterances of the party leaders during its entire history upon the great subjects likely to be considered in this campaign.* Regulation of Corporations, the Money Panic, Protection, Reciprocity, Trusts, Prices, Republican Prosperity, Democratic Adversity, the Workingman, the Farmer, the Soldier, Rural Free Delivery, the Post-Office Investigation, Panama, Cuba, the Philippines and the Pacific, Shipping, the Navy, and the Record of President Roosevelt are discussed in these concise extracts from the public utterances of party leaders past and present. The volume may readily be used as a pocket companion, in the field or on the train, and will prove a valuable supplementary work in connection with this text book.

Both volumes may be obtained upon application to the National Committee.

## FOUR GREAT FACTS.

"Four great facts seem to justify the Republican party in asking the voters of the United States to continue it in control of the affairs of the Government. First, the promptness with which it has fulfilled the pledges of its platform upon which it successfully appealed to the people in 1896; second, the prosperity which has come to all classes of our citizens with, and as a result of, the fulfillment of those pledges; third, the evidence which that prosperity furnishes of the fallacy of the principles offered by the opposing parties in 1896, and still supported by them; and, fourth, the advantages to our country, our commerce, and our people in the extension of area, commerce, and international influence which have unexpectedly come as an incident of the fulfillment of one of the important pledges of the platform of 1896, and with it the opportunity for benefiting the people of the territory affected."—From the Republican Campaign Text-Book of 1900.

The above quotation from the opening pages of the Republican Campaign Text Book of 1900 applies with equal force to conditions in the present campaign. The four great facts which justified the party in asking the support of the public in 1900 were: First, that its pledges of 1896 had been redeemed; second, that prosperity had come as a result; third, that developments since 1896 had shown the fallacy of the principles upon which the Democracy then appealed for public support; and, fourth, the conditions which had come to other parts of the world and their people as a result of promises fulfilled by the Republican party in the United States. These assertions made in the Text Book of 1900 have been fully justified by the added experiences of another eight years. The pledges of 1896 and those made in 1900 and 1904 have been redeemed. The Protective Tariff has been restored; the Gold Standard made permanent; Cuba freed, given independence, protected from internal troubles and about to be again made a Republic; the Panama Canal assured under the sole ownership and control of the United States; a Department of Commerce and Labor established; Rural Free Delivery given to millions of the agricultural community; the laws for the proper regulation of trusts and great corporations strengthened and enforced; prosperity established; commerce developed; labor protected and given ample employment and reward; intelligence, prosperity, and good government established in distant islands; and the flag of the United States made the emblem of honor in every part of the world.

All of these great accomplishments have been the work of the Republican party. In each of them it has met the discouragement, the opposition, and the hostilities of the Democracy. The Protective Tariff was fought at every step, and denounced by the platform of the Democrats as a "robbery." The act establishing the Gold Standard was opposed and the Democratic vote cast almost solidly against it, and that party in its conventions and platforms of 1904 and 1908 deliberately refused to retract in the slightest degree its advocacy of the free and unlimited coinage of silver. In the war for the freedom of Cuba, the work of the Republicans was met with harsh criticism. In the efforts to establish peace and good government in the newly acquired territory, each step met with opposition and false charges and with the demand that the territory and its millions of people be abandoned to internal strife or control by a monarchical government. The acquirement of the right to construct the Panama Canal was met with opposition and obstruction. The enforcement of law against trusts and other great corporations was denounced as ineffective and designed to deceive the public. The establishment of rural free delivery was discouraged. The splendid prosperity which followed the restoration of the protective tariff was decried and denounced as fictitious and temporary, and an attempt made to sow the seeds of dissatisfaction and discord among the people by complaints of the higher cost of food which came as the natural results of the increased demand accompanying general prosperity and high wages.

It is upon the evidence of the past twelve years, evidence that the Republican party is a party of progress, and the Democracy a party of inaction, retardment, and fault, that the Republican party again confidently appeals for public support in the Presidential and Congressional elections of 1908.



# REGULATION OF CORPORATIONS.

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## Regulation of Corporations.

The last eight years have been momentous. They have brought us the problem of industrial and commercial honesty; the proper control of our vast industrial forces. The most conspicuous and important part of the work of the present Republican administration has been given to this problem—the “square deal” in business.

Our national prosperity has in itself brought this business question to the acute stage of a national crisis. We are assured of our enormous national resources, of our power to develop them. We have accumulated great national and individual wealth. Now the country is taking up the question of the methods by which such resources have been developed and wealth acquired, recognizing that no industrial system, however apparently successful, can permanently endure unless it is based on fair competitive methods and equal opportunity for all men.

The enormous concentration of commercial power in a few hands has been one of the marked characteristics of the past decade. It has formed part of this problem and has aroused the country to a consideration of the industrial and economic facts involved therein.

The Administration holds that the efficient business man should be fully rewarded for the great services he renders to the public. It desires in every way to support and foster honest business. There is no quarrel with corporations themselves, or with the acquisition of wealth, but only with certain forms of corporate organization and management, and certain methods by which such wealth is acquired. Corporations are the proper and necessary machinery of modern business. We cannot carry on our commerce without them. Therefore it is necessary that we so supervise and regulate them that their obvious evils and defects be cut away, and the essential part of our business machinery be preserved for the work for which it is absolutely necessary. The community has created corporations; they are artificial things, wholly due to the act of the state. The state is therefore responsible for them and has not only the right, but also the imperative duty, of requiring their proper organization and management.

The Administration has therefore given its attention especially to the business methods of corporations, to put an end to those methods that are against public interest, and to preserve the essential good in the system.

In so far as corporations engage in interstate commerce they are subject to Federal law. Most of our large companies are interstate in their operations and national in their scope, so the only power competent to regulate them is the National Government. The jurisdiction must be commensurate with the scope of the subject-matter. Our financial and industrial leaders have deliberately made our businesses national by their combinations, blotting off the business map the lines between corporation and corporation, between State and State. They cannot therefore justly be heard to complain if the legal control of these businesses be also made national, to meet the conditions they themselves have created.

Our present system of combination, concentrating business in the hands of a few men, has entrusted to the corporate manager vast powers. He can apply these forces at any given point, in favor of one man or another; he can bargain for special favors and privileges; he can use its powers and its credit for his own private benefit; he can affect the agencies of public opinion at a thousand points.

These powers have in certain instances been wrongly used. The credit of corporations has been made the tool of private gain, to the loss of the stockholder and the public. Power over

traffic has been used to buy unfair advantages, to secure from railroads rebates and secret private rates, favors in car distribution, terminal and dock facilities. The sheer weight of capital has been used to crush competitors by ruinous local price-cutting, simply to destroy the business of others. Skillful advantage has been taken of the confusion of our corporation laws to obscure and defeat the rights of minority stockholders and bondholders.

The Republican party has taken vigorous action on these questions. It is trying to save and promote business, to maintain an industrial machinery which shall be capable of standing up to the work of an industrial nation. That machinery must be built on merit and not on fraud or favor. It proposes to see that capital and energy, and labor and brains, have a fair chance. It proposes to see that man win who is a good manufacturer, a good railway man, a good salesman, who gets good business because he gives good service, and not that man win who is only good at getting an unfair advantage or at preventing any one else from doing business.

The business men of the country desire honest methods. They desire to succeed simply by giving the best service and the lowest prices, and such success benefits the public also. These men have the support of the Administration, and they need it against the unfair business methods of that small but active class of men who succeed merely by crippling the efficiency of competitors, by denying them equal opportunity. Such success means the injury of our whole business system.

The President has again and again stated the principles of the Administration in this matter in addresses and messages to Congress.

"It is an absurdity to expect to eliminate abuses in great corporations by State action. \* \* \* The National Government alone can deal adequately with these great corporations." \* \* \* "Our aim is to help every honest man, every honest corporation, and our policy means, in its ultimate analysis, a healthy and prosperous expansion of the business activities of honest business men and honest corporations." \* \* \*

"A combination should not be tolerated if it abuses the power acquired by combination to the public detriment. \* \* \* Among the points to be aimed at should be the prohibition of unhealthy competition, such as rendering service at an actual loss for the purpose of crushing out competition."

Led by President Roosevelt, the National Administration has therefore been dealing with corporations along the lines of a consistent policy which has never changed in principle. It has enforced the laws that make for fair competition and equal opportunity and has made them essential parts of our commercial system; equal rates from the railroads, the highways of commerce, have been afforded to all shippers as never before. Railroad rebates and discriminations, which are the deadliest attacks on equality in business, have been exposed and punished, so that there is to-day less of railroad discrimination being practiced than at any time since the passage of the Interstate Commerce Law in 1887. The Standard Oil Company has had its system of unfair railway discriminations laid open in detail to the public, has been indicted in six different judicial districts, including thirty indictments with a total of 9,764 offenses enumerated therein; in the Northern District of Illinois it has been convicted of 1,462 offenses and a fine imposed of \$29,240,000.

As the result of the exposure of this system of railway rebates by the Bureau of Corporations in 1906, and through the influence of publicity, the railroads have cancelled long-standing illegal and unfair rates, covering almost the entire country.

Railroad companies have been indicted, convicted and fined for giving railway concessions, as well as shippers who had accepted such illegal discriminations. As a result, the public and the railroads and the shippers of freight have come to understand that the Elkins Law, which forbids railway discriminations, means what it says; that it is the determination of the Administration that the railroads of the country shall be kept open by fair and equal rates for the benefit of all shippers alike, and that those secret discriminations which have built up certain favored businesses upon the ruin of many competitors, shall cease and be no more hereafter a part of our commercial system. There have been, of course, the usual protests against these

finer. It is urged that only the individual who did the act should be punished and not the corporation for whose benefit it was done. Such counsels of perfection are futile. The imprisoning of a clerk does not stop railway rebates (and the clerk is usually the highest man against whom legal evidence is obtainable). Industrial crimes by which a corporation benefits are rightly chargeable to that corporation. If the corporation is punished the crime will stop.

The Sherman Anti-trust Law has also been wisely used by the Administration to put an end to those forms of combination which are directed either at total suppression of proper competition or at the destruction of competitors by unfair means. The Administration has recognized that combination to a certain extent is necessary and proper, but that on the other hand certain forms of combination, from their peculiar purposes and effects, are clearly against the public interest. The Northern Securities case established certain great basic legal principles as to the power of the Federal Government over corporations, as did also various other cases tried under the Sherman Law. The result has been to make clear as never before the positive powers granted by the interstate commerce clause of the Constitution, and to point out to the country the lines along which these powers may be used for the regulation of corporations. On the other hand, in the case now pending under the Sherman Law against the Standard Oil Company, this law has been applied to a system of unfair methods of competition and the abuse of corporate powers. All of these cases have had the important result of bringing to the attention of the public in concrete shape the great problems involved, and of arousing and educating public opinion thereon.

Again, the Republican party has, during this period, placed upon the statute books a number of fundamental acts greatly strengthening the power of the Administration to carry out the policies above outlined. The so-called Elkins Law of 1903 gave a practical means of destroying railway discriminations. It made the crime the same in the case of the shipper as in that of the railroad. It set up a definite standard of the published rate by which discriminations can be judged. It is under the Elkins Act that all the present indictments and convictions for railway discriminations have been secured.

In June, 1906, the so-called Rate Bill became a law. It established the great principle of the right of the Federal Government through the Interstate Commerce Commission to regulate railway rates so that the same shall be reasonable. It brought also under the jurisdiction of that body additional classes of common carriers, such as express companies, sleeping-car companies, pipe lines, etc., not theretofore covered by Federal legislation. It made complete and final the power of the Government to inspect railway accounts, and prescribe their form.

In 1903 there was also created the new Department of Commerce and Labor, and in that Department there was established the Bureau of Corporations. The Commissioner of Corporations is given compulsory power to investigate into the organization, conduct and management of the so-called industrial corporations engaged in interstate commerce. He does for industrial corporations, to a certain extent, what the Interstate Commerce Commission does for the railroads. The information he thus acquires is transmitted to the President only; and made public as he directs. This provision safeguards the use of this information, which may cover matters of private business which should be made public only upon the responsibility of a high officer of the Government. The work of this Bureau has been that of "efficient publicity"—of setting before the public, after very careful investigation, summarized statements and brief conclusions showing the important facts of corporate operations. This gives the concise information that the citizen will read and upon which he can form an intelligent and clear opinion on these paramount questions of the present. Complex corporate questions are thus reduced to their simple factors of right and wrong, and in this shape the people can settle them promptly.

It has been the established policy of the Administration to get the help of the public in settling these great questions.



Many of the most serious evils in corporate organization and management can be reached only by public opinion. Many forms of unfair competition and morally fraudulent business nevertheless are within the strict meaning of law and cannot be attacked by judicial process. The only way in which they can be reached is by the ordinary standards of business honesty as understood by the average citizen. It has been encouraging to see the effect of such a definite policy. Mere general denunciation carries little weight. But when improper conduct has been authoritatively set forth, with the specific details of time, place, person and amount, there are few managers of business in this country who dare stand up against the weight of public criticism thus directed at such transactions. Further, this is preventive; it operates beforehand. The business manager who knows that his transactions are liable to be examined and exposed by expert Government officers hesitates long before doing that which he knows will meet with public condemnation. The effect of this restraint, therefore, is general throughout business, and not, like the isolated result of a single court finding, effective only upon the particular parties to the suit and after the evil has been done.

Furthermore, this process educates public opinion. Our industrial system is the most complex thing in modern life. The average citizen has no time to investigate its details so as to draw reliable conclusions therefrom. The ignorance of the many is always the unfair advantage of the unscrupulous few. If there is anything which the voter is entitled to demand from his Government it is information in regard to such subjects. He must have it in such shape and with such authority that he will understand and accept these conclusions as a reliable basis for his views on commercial affairs. The business question is by far the most important now before the country. It is therefore clear that this business education of the public should be carried on as fully and as carefully as any work of the Government, and that the public standards of business morals be made as definite and effective as possible. This it has been the consistent policy of the Administration to do, and it has gone far toward doing it.

Thus the Government by simple exposure wiped off the business map the greatest system of railway rebates that ever existed, the one exposed by the Bureau of Corporations in its report of May, 1906. Immediately upon the publication of that report the railroads canceled every illegal rate criticised therein, as well as many others that were not illegal but nevertheless unfair. Similar action on the part of the Government in regard to certain operations in cotton exchanges has resulted already in the introduction of reforms in the methods of those exchanges. Numerous other instances have occurred where unfair methods of competition have been abandoned through fear of publicity and the small and independent competitors in a great industry have been relieved from the ruinous pressure of secret and unfair methods on the part of large corporations. So great has been the progress in public opinion, and so heavy its pressure, that the great corporations, hitherto against publicity, are now themselves openly advocating and adopting it. The most far-sighted business leaders are urging it, for the protection of their own businesses. There has been a sweeping change in public opinion that is one of the greatest advances ever seen in this nation.

This whole work of the Republican Administration has dealt with a matter of the highest importance to the nation. Upon its successful outcome depends the permanent welfare of this country, the permanent protection of property rights, the standards of business morals that are and will be current among us, the establishment of law as against those that set at naught the law.

As the President has said in his message to Congress of January 31, 1908:

"It is not a movement to be completed in one year, or two or three years. It is a movement which must be persevered in until the spirit that lies behind it sinks deep into the heart and conscience of the whole people. It is always important to choose the right end to achieve our purpose, but it is even more important to keep this purpose clearly before us; and this purpose is to secure national honesty in business and politics."

By the slow process of education, by the testing of present methods available and by suggesting new ones, the work of the Administration has thus been leading up toward that logical advance in the system of dealing with corporations which it is clear must soon come. The final solution of this question must be some efficient system of regulation, some control of corporations which shall be positive and active. The Administration has consistently stood for such an advance, believing that the present commercial machinery is too complex to be adjusted by the inflexible, occasional remedy of judicial procedure. It holds that corporate business must be regulated in the future by administrative action on the part of the Government through a permanent office supervising interstate corporations, making their accounts subject to inspection at will, publishing the important facts of corporate business in concise form, and providing also for that protection of law-abiding corporations that is the correlative of regulation.

No such system can be reached until the public believes that it is necessary. Such public opinion is rapidly growing and will, in time, bear fruit in such a system, but when this system comes, as it ultimately will, it will be largely the results of the process of education and intelligent publicity that for the last eight years has been carried on by the Republican Administration in connection with corporate affairs.

#### **Bureau of Corporations.**

The Bureau of Corporations, a part of the Department of Commerce and Labor, was created in February, 1903, by the act establishing that Department. It is charged with the duty of investigating into the organization, conduct and management of corporations engaged in interstate and foreign commerce (other than common carriers subject to the jurisdiction of the Interstate Commerce Commission) and of reporting the results thereof to the President, for the information of Congress and the public.

Two ideas lie at the basis of its work: Its object is the promotion of fair and honest business methods; its means "efficient publicity." Its Commissioner has compulsory powers of obtaining information. It has in its employ men of expert training in corporate affairs. With these forces at its disposal, it gathers minutely and accurately information in regard to the operations of the corporations representing the great staple industries of the country, and reduces the vast mass of this information to such shape that "the man in the street" will read it. It sets before the President, Congress, and the public reliable information as to the operations of the great interstate corporations in such brief and clear form as to show the important tendencies and conditions of corporate business. With such information as a basis, the great corrective force of public opinion can be intelligently and effectually directed at those industrial evils that constitute the most important of our present problems. The public will not read great masses of statistics or of industrial facts. These must be collected, it is true, in vast masses, but when presented to the public they must take the shape of brief conclusions, absolutely reliable, wholly impartial, and dealing only with the significant tendencies of the business or corporation in question. This is the sort of information that the citizen demands, and has a right to demand, from his Government.

On these lines the work of the Bureau has been consistently carried on. In 1905 it issued its first report on the beef industry. In 1906 it issued its report on the Transportation of Petroleum, setting forth detailed facts in regard to a large number of railway discriminations in favor of the Standard Oil Company and its subsidiary concerns, many of these illegal, others not illegal but unfair. Numerous indictments presented by the Department of Justice against these concerns were based on this report, many of which are now pending, two of which have been tried, and one of which resulted in the fine of \$29,240,000 imposed on the Standard Oil Company at Chicago in 1907. In all 30 indictments have been brought under this re-

port of the Bureau, including 9,764 offenses in all, and covering a large portion of the country.

While the criminal prosecution of this long-established and effective system of railway discriminations is very important, a much more important result from the work of the Bureau was the sweeping effect of simple publicity on this system. Almost immediately upon the issuance of this report in 1906, the railroads canceled every illegal rate criticised in the report, as well as many other rates not illegal but unfair, and it is safe to say that never since the passage of the Interstate Commerce Act in 1887 has the giving of railway discriminations been so much curtailed as it has been since the publication of this report.

In May, 1907, the Bureau published a report on the Position of the Standard Oil Company in the Petroleum Industry, showing the additional methods used by the Standard Oil Company to secure and maintain domination in that industry. In August, 1907, the Bureau published a report on the Prices and Profits in the Petroleum Industry, setting forth mainly the price methods of the Standard Oil Company and their effect on competitors and consumers. This series of reports has gone far to lay before the public the essential facts necessary for it to form a fair and effective opinion on the operations of the dominant corporation in one of our greatest industries, and has largely relieved both the public and independent competitors of the unfair pressure of an almost controlling system of railway discriminations.

In May, 1908, the Bureau published a report on certain features of the operations of cotton exchanges, showing the injurious effects upon that industry of certain regulations and forms on those exchanges, and pointing the way toward improvement therein.

It also has now under investigation the lumber, tobacco, and iron and steel industries, the harvester industry, inland and coastwise water transportation, and a further inquiry into the operations of the cotton exchanges.

The beneficial results of the Bureau's work have appeared in the marked diminution of railway rebates, the eliminating of many forms of oppressive and unfair competition, and especially in a great advance in the intelligent, effective, and actively expressed opinion of the country as to corporate operations, as well as a far better understanding of our entire commercial system.

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## WORK OF THE DEPARTMENT OF JUSTICE ON CONTROL OF CORPORATIONS.

### Prosecutions under Sherman Act and Interstate Commerce Laws.

It has been the duty of the Department of Justice to defend the soundness of the positions taken by it in matters relating to prosecutions under the Sherman Anti-Trust Act, so-called, and also under the Interstate Commerce Act, by carrying proceedings thus inaugurated through the various courts and to a final determination in the Supreme Court of the United States. It has been the constant endeavor of the Department to have the material questions involved settled as soon as practicable, and to this end it has moved to advance cases, and has been insistent upon the prosecution of the various appeals and intermediate steps involved. The result has been a definition by the Supreme Court of many aspects of the Sherman Law, and a series of decisions under which further proceedings in enforcement of this law can be taken with reasonable hope of success: the facts in each case being determined by a thorough, and frequently expensive, examination by the Department of Justice. The following very brief statement of the cases so far decided, and the particular aspect of the law decided in each, will be found to be of value as noting the progress of the work of restraining unlawful combinations:



*U. S. v. E. C. Knight Co.*—Sugar Trust Case—156 U. S. 1.

This was the first case under the Anti-trust act taken to the Supreme Court of the United States. This was a suit instituted by the Government against the "Sugar Trust." The Circuit Court and the Circuit Court of Appeals decided against the Government, and their decisions were affirmed by the Supreme Court, which held that the acts denounced by the Act of July 2, 1890, are a monopoly in interstate and international trade or commerce, and not a monopoly in the manufacture of a necessity of life.

*U. S. v. Trans-Missouri Freight Association*, 166 U. S. 290.

This was a suit to enjoin the operations of a combination of railroads engaged in interstate commerce alleged to have formed for the purpose of maintaining just and reasonable rates, and preventing unjust discriminations. The Circuit Court and Circuit Court of Appeals both decided against the Government, but their decisions were reversed by the Supreme Court, which held that the Anti-trust act applied to railroad carriers and embraced all contracts in restraint of trade and commerce among the several States and with foreign nations, and was not confined to those in which the restraint was unreasonable.

*U. S. v. Joint Traffic Association*, 171 U. S. 505.

This was a bill in equity to enjoin the alleged violation of the Anti-trust law by a combination of thirty-one railroads engaged in transportation between Chicago and the Atlantic coast, which had formed themselves into a combination to control competitive traffic, fix rates, etc. The Circuit Court and Circuit Court of Appeals decided against the Government, which decisions, however, were reversed by the Supreme Court, that court reaffirming the case of *U. S. v. The Trans-Missouri Freight Association* and holding that the Traffic Association was an illegal combination.

*U. S. v. Hopkins et al.*, 171 U. S. 578.

This was a bill to restrain the operations of the Kansas City Live Stock Exchange. An injunction was granted, but the Supreme Court reversed the decree of the Circuit Court, holding that the business of a Live Stock Exchange did not constitute interstate commerce, and was not covered by the Anti-trust act.

*Anderson v. U. S.*, 171 U. S. 604.

This was a proceeding to restrain the operations of The Traders' Live Stock Exchange, of Kansas City, an association formed for the purpose of buying cattle on the market. A temporary injunction was granted and an appeal taken to the Circuit Court of Appeals, which certified certain questions to the Supreme Court for instructions. The Supreme Court decided that the rules of the Live Stock Exchange were not in violation of the Anti-trust act.

*U. S. v. Addyston Pipe and Steel Co.*, 175 U. S. 211.

This was a suit by the Government to enjoin the operations of the cast-iron pipe trust, which attempted to enhance the price of such pipe by controlling and parceling out the manufacture and sale thereof throughout the several States and Territories to the corporations forming the combination. The Government's bill was dismissed by the Circuit Court, which decision, however, was reversed by the Circuit Court of Appeals, affirmed by the Supreme Court of the United States. That court held the combination to be a violation of the act, indicating wherein it came within the prohibitive power of the Congress and distinguishing the case from the non-violative acts in the case of the *United States v. E. C. Knight Company*.

*U. S. v. Northern Securities Co. et al.*, 193 U. S. 197.

This was a suit instituted by the Government to enjoin the Northern Securities Co. from purchasing, acquiring, receiving, holding, voting, or in any manner acting as the owner of the shares of the capital stock of the Great Northern Railway Company and Northern Pacific Railway Company, and to restrain the railway companies from permitting the Securities Company to vote any of the stock of the said railway companies, or from exercising any control whatsoever over the corporate acts of either of said railway companies, it being charged that the Securities Company was formed for the purpose of acquiring a majority of the capital stock of the two railway companies named in order that it might in that way effect practically a consolidation of the two companies by controlling rates and restricting and destroying competition, in violation of the Sherman Anti-trust act. The Circuit Court decided in favor of the Government, and this decision was affirmed by the Supreme Court of the United States.

*U. S. v. Swift & Co. et al.*, 196 U. S. 375.

This was a suit brought by the United States against the "Beef Trust" to enjoin the carrying out of an unlawful conspiracy entered into between Swift & Co. and other defendants and with various railway companies to suppress competition and to obtain a monopoly in the purchase of live stock and the selling of dressed meats. The Circuit Court decided in favor of the Government, and this decision was affirmed by the Supreme Court, which held that it does not matter if a restrictive combination embraces restraint and monopoly of trade within a single State if it also embraces and is directed against commerce among the States and that the effect of such a combination was direct upon interstate commerce.

*Hale v. Henkel*, 201 U. S. 43; *McAlister v. Henkel*, id. 90 (Tobacco Trust Cases).

These cases grew out of an investigation by a Federal grand jury in the Southern District of New York of the American Tobacco Co. and

the MacAndrews and Forbes Co., who, it was believed, were violating the Anti-trust laws. Hale and McAlister, officers of the companies, refused to produce books and papers and to testify. The Circuit Court adjudged them in contempt. Writs of habeas corpus were sued out, which, after hearing, were discharged. The Supreme Court affirmed the orders denying the writs.

*Nelson v. U. S.* (and two other cases), 201 U. S. 92; *Alexander v. U. S.* (and four other cases), 201 U. S. 117. (Paper Trust Cases.)

This was a bill in equity filed by the Government against The General Paper Co. and twenty-three other corporations engaged in the manufacture and sale of paper, alleging that the defendants had entered into a combination and conspiracy to control, regulate, monopolize, and restrain trade and commerce in the manufacture of news-print, manila, fiber, and other papers in violation of the Anti-trust act, by making the General Paper Co. their general sales agent.

In the Nelson cases the United States petitioned the Circuit Court for an order requiring the production before a special examiner of certain books, documents, and papers, and requiring defendants to answer certain questions. Refusing to obey the orders, the defendants were adjudged guilty of contempt. The Supreme Court affirmed the decision of the lower court.

The Alexander cases were similar to the Nelson cases, except that there were no proceedings in contempt, appeals having been taken on behalf of the separate defendants to the Supreme Court from the order of the Circuit Court requiring them to produce the books, papers and documents requested and to answer the questions put to them. The Supreme Court declined to entertain the appeals on the ground of writ of jurisdiction.

With regard to the latter case it may also be stated that on May 11, 1906, judgment was ordered in favor of the Government by the Circuit Court for the District of Minnesota, dissolving the combination and affording the Government all relief prayed for in its bill. A number of other cases have been successfully prosecuted by the Department of Justice, but which did not reach the Supreme Court, including the case against the Federal Salt Co., The Nome Retail Grocers' Association, The Otis Elevator Co., The National Association of Retail Druggists, and others, the details of which are given in a statement as to the civil and criminal cases instituted by the United States under the Sherman Act and the Act to Regulate Commerce, and which may be had upon application to the Department of Justice. Important proceedings in similar cases are now being carried on in the courts by the Department of Justice, including a proceeding against the Standard Oil Company in consequence of a bill in equity filed in the Eastern District of Missouri, alleging that the Company is maintaining a combination in restraint of trade in the manufacture and sale of petroleum; the case against the Reading Company and others to dissolve a combination among the anthracite coal carrying roads; the case against the American Tobacco Company and others; the case against the Powder Trust, so-called, in all of which cases the Department of Justice is actually engaged, either in investigation of evidence in support of the allegations of the bill or is actually taking testimony in connection therewith. It appears from the records of the Department of Justice that sixteen bills in equity have been brought under the Sherman act during the administration of President Roosevelt, as against eleven bills during the entire time of the previous administrations; that eighteen indictments have been brought under the same act, as against five indictments previously; that seven convictions in criminal cases have been secured, as against a single conviction in the previous history of the administration of this law. A total of \$96,000 has been collected in fines from the violators of the Anti-trust enactment.

#### Enforcement of Act to Regulate Commerce.

The following statement of the proceedings undertaken to enforce the Act to Regulate Commerce, with the Elkins and Hepburn amendments, indicates the activity with which the Department of Justice, under the administration of President Roosevelt, has been proceeding in this important aspect of its duties.

- 12 petitions to enjoin departure from published tariff:
- 8 temporary injunctions granted and answers filed.
- 3 injunctions granted.
- 1 pending.

- 11 petitions to enforce order of Commission :
    - 1 defendant complied and petition dismissed.
    - 4 petitions dismissed.
    - 2 injunctions granted.
    - 1 discontinued.
    - 3 pending.
  - 4 petitions to compel filing of annual reports :
    - 1 dismissed.
    - 3 discontinued.
  - 2 proceedings to compel defendants to give testimony before Commission :
    - Granted.
  - 1 petition to test law with reference to issuance of franks by express companies :
    - Pending.
  - 7 indictments for charging less than established rates :
    - 2 nol-prossed.
    - 5 pending.
  - 4 indictments for pooling :
    - 1 dismissed.
    - 3 nol-prossed.
  - 52 indictments for receiving rebates :
    - 18 convictions.
    - 1 acquittal.
    - 1 dismissed.
    - 2 demurrers sustained.
    - 30 pending.
  - 59 indictments for granting rebates :
    - 13 convictions; fines imposed aggregating \$697,000.
    - 1 dismissed.
    - 2 nol-prossed.
    - 43 pending.
  - 6 indictments for conspiring to obtain rebates :
    - 2 convictions; 1 case, 2 defendants fined \$1,025 each; 1 case, defendants fined in the aggregate \$25,000. Total fines imposed, \$27,050.
    - 1 nol-prossed.
    - 1 acquittal.
    - 2 pending.
  - 1 indictment for conspiring to grant rebates :
    - Demurrer filed and sustained.
  - 1 indictment for failure to file schedules :
    - Conviction; fined \$15,000.
  - 1 indictment for discrimination in distribution of cars :
    - Demurrer filed and sustained.
  - 1 indictment charging conspiracy to violate Interstate Commerce Laws :
    - Demurrer filed and sustained.
- Total: 129 indictments, 34 convictions, 2 acquittals, 8 nol-prossed, 5 demurrers sustained, 3 indictments dismissed, and 77 pending.

In connection with the foregoing, important results have been obtained in the Supreme Court, the law having been finally tested in the following cases:

*Great Northern Railway Company v. United States*, decided at the present term. This case involved a question of the proper construction of section 10 of the Hepburn law of June 29, 1906. It was contended by the Railroad Company that said section should be construed as showing an intention on the part of Con-



gress to release from future prosecution all offenses committed against the Elkins Act which occurred prior to the 29th day of June, 1906, except such cases as were at that time actually pending in the courts. The Supreme Court followed the contention of the Government and held that all offenses which were committed against the Elkins Act might be prosecuted at any time within the statute of limitations even though such prosecutions were instituted after the 29th day of June, 1906.

*The Armour Packing Company v. United States*, decided at the present term of the Supreme Court. This case involved the determination of two important questions of law:

First. It sustained the contention of the Government that a prosecution for granting a concession in violation of the Interstate Commerce Law with respect to the transportation of merchandise in interstate commerce, might be instituted and prosecuted in any district through which the transportation was carried. It was, in effect, held by the court that in such an offense one of the essential elements of the crime was transportation.

Second. The court also said that a contract between the carrier and the shipper for the transportation of freight for a reasonable length of time at the then established legal rate would not protect either the carrier or the shipper from future prosecutions under the law in case the common carrier changed the rate, as provided by law, and the shipper and the carrier should continue to observe the old rate as provided for in the contract.

*Swift & Co. v. United States.*

*Cudahy Packing Company v. United States.*

*Nelson Morris & Co. v. United States.*

*Chicago, Burlington & Quincy R. R. Co. v. United States.*

Each of the above cases decided in favor of the Government, following the decisions in the Armour case.

*Interstate Commerce Commission v. Baird et al.*

Baird and other agents of certain coal carrying roads declined to give testimony before the commission in the anthracite-coal-rate investigation. On June 12, 1903, the Circuit Court for the Southern District of New York denied the motion to require the defendants to answer the questions. On April 4, 1904, the Supreme Court reversed the Circuit Court and remanded the case for further proceedings, holding that the questions propounded were proper and should have been answered. In this case further construction of the Elkins Law was made.

*United States v. Chesapeake & Ohio Railway Company et al.*

In this case a petition was filed under the Interstate Commerce Act of the Elkins Law to restrain the Chesapeake & Ohio Railway Company from giving preferences and rebates in coal rates to the New York, New Haven and Hartford Railroad Company. On February 19, 1904, an injunction was granted in the United States Circuit Court for the Western District of Virginia. On February 19, 1906, the Supreme Court affirmed the judgment of the Circuit Court.

The following cases pending in the Supreme Court of the United States and undecided:

*The Chicago & Alton Railway Company et al. v. United States.* On December 13, 1905, an indictment was returned charging a violation of the Act of February 4, 1887, as amended by the Elkins Act, for offering, granting and giving rebates to Schwartzchild & Sulsberger Company. Defendants were convicted. On December 13, 1905, an indictment was returned under the Elkins Act for granting and giving rebates on freight. July 6, 1906: verdict of guilty. July 11, 1906: the defendant corporation fined \$40,000.00, and individuals fined \$10,000.00 each. Case appealed to the Circuit Court of Appeals of the Seventh Circuit on April 16, 1907. The judgment was affirmed by the Circuit Court of Appeals on January 27, 1908, and a Writ of Certiorari was allowed to the Supreme Court of the United States. The point involved in this case is whether the allowance by the Railroad Company of \$1.00 a car to the Schwartzchild & Suls-

berger Company, at Kansas City, as and for a pretended rental and use of the Schwartzchild & Sulsberger tracks constituted a rebate to said company from the Alton Railway Company.

*The New York Central & Hudson River Railway Company v. United States.* On March 14, 1906, an indictment was returned under the Interstate Commerce and the Elkins Laws for granting rebates. On November 15, 1906, the Railroad Company was found guilty and sentenced to pay a fine of \$18,000.00. The case was brought to the Supreme Court on a Writ of Error. This case involves numerous questions of law arising under the Elkins Act.

*New York Central & Hudson River Railway Company et al. v. United States;* indicted on May 4, 1906; convicted October 17, 1906; the railway company sentenced to pay a fine of \$108,000.00. The case was brought to the Supreme Court on a Writ of Error.

*New York Central & Hudson River Railway Company v. United States.* Indictment returned August 10, 1906, for violation of the Elkins Act in offering, granting, and giving rebates. Demurrer sustained to the indictment upon the ground that the railway company, although a party to the joint rate, did not file and publish this rate, as required by law. The case was appealed by the Government to the Supreme Court of the United States and has been advanced for hearing early next term.

Important cases have been decided in the lower courts under this law, and, in addition, there are now pending on appeal, cases in which very large sums of money have been imposed as fines, including the fine of over twenty-nine millions of dollars imposed on the Standard Oil Company in the following case:

*United States v. Standard Oil Company* (District Court, Northern Illinois). August 27, 1906, indictment returned charging a violation of the Elkins Act in receiving rebates. November 10, 1906, demurrer filed. January 3, 1907, demurrer overruled. March 4 to April 12, 1907, trial. April 13, 1907, verdict of guilty. August 3, 1907, sentenced to pay fine of \$29,240,000. Appeal to Circuit Court of Appeals for the Seventh Circuit.\*

Further cases against the same company are pending. Another imposition of a heavy fine was that in the following case against the Atchison, Topeka and Santa Fe Railroad Company:

*United States v. Atchison, Topeka and Santa Fe Railway Company* (District Court, Southern California). January 9, 1907, indictment returned charging a violation of the Elkins Act in granting and giving rebates. April 17, 1907, demurrer filed. April 26, 1907, demurrer overruled. September 30, 1907, trial—verdict of guilty on all counts. November 7, 1907, sentenced to pay a fine of \$330,000.

Prosecutions arising out of these and other transactions have been begun against a considerable number of defendants, the full list of such proceedings being given in detail in the publication of the Department of Justice before cited.

## RAILWAY REGULATION.

### Work of the Interstate Commerce Commission.

The railways of the country are the main highways of commerce. Their ability to transport traffic measures the profitable production of this vast country. Next to personal liberty and security the right to use these highways on equal terms is the most primary and fundamental right which the individual can possess. Upon this depends his ability to engage successfully in any undertaking requiring the interchange of commod-

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\* The opinion of the Circuit Court of Appeals was filed July 29 and reversed the judgment of the District Court and remanded the case for a new trial on the ground that certain errors of law were committed by the trial court. The Attorney-General will apply for rehearing in the Court of Appeals and, failing that, will seek to have its judgment reviewed and reversed or modified by the Supreme Court of the United States (see p. 49).



ities. The marvelous growth of our railways, their incomparable utility, the indispensable service they perform, the vast capital they represent, and the enormous amount of labor they employ, all require their subjection to adequate public control.

#### **History of Legislation to Control Railways in the United States.**

The first serious attempt at Federal railway control was the passage of the Act to regulate commerce, commonly known as the Interstate Commerce Law, in 1887. The administration of this law was committed to a Commission of five members, of whom not more than three should belong to the same political party. The number was increased in 1906 to seven members, with the requirement that not more than four should be of the same political party. The Commission was intended to be, and in fact has always been, strictly non-partisan.

Under the original law and its various amendments the Commission exercised such authority as was conferred upon it by the Congress, and the results were in the main highly satisfactory. The original law did not remedy all existing evils, but it did bring great relief. The publicity secured in respect of rates, contracts, and practices was alone sufficient to wipe out many of the worst existing transportation abuses, and the cases decided by the courts furnished the legal groundwork for a more perfect superstructure. Far from producing the disastrous results said to be inherent in Government regulation, the best interests of both railroads and shippers were subserved. Between 1887 and 1907 the railroads increased by about 80,000 miles, more than three times the distance around the earth, and their operations, facilities, and equipment were augmented in an unprecedented manner, while the prosperity and wealth of the country challenged the admiration of the world.

Under the scrutiny of the courts it was found that the original law was defective, not in its promulgation of fundamental rights and duties so much as in the plans for its enforcement, and the experience of the Commission brought to light abuses and certain methods of circumventing the law which were not contemplated, or even known, at the time of its passage. It was found, for instance, that although it was unlawful to charge an unreasonable or discriminatory rate, and the Commission could award damages for such charge, it was without authority to require reduction of the rate for the future. Discriminations were found to exist in collateral services rendered by the carriers, such as icing, refrigeration, elevation, storage and switching charges; and from the standpoint of sound public policy there was perhaps nothing more offensive or destructive to private enterprise than the unfair and deadly competition engendered when the railroad exceeded its duty as a carrier and became also a purchaser and shipper over its own line—a frequent occurrence in the case of such staple commodities as grain, coal, and lumber. This practice, if allowed to exist, would easily have created in the railroads an absolute monopoly in the purchase and sale as well as in the transportation of all commodities in which they might choose to become dealers.

#### **The Hepburn Act.**

Recognizing these defects and the necessity for their removal, the Republican Congress passed, and the Republican President approved, in June, 1906, the so-called Hepburn law. This enactment may, as applied to the general business interest of the country, including both consumer and producer, be termed without exaggeration the most fundamental, beneficial, and progressive legislation adopted since the Constitutional amendments which followed the Civil War. It is most emphatically the announcement in the law of the land of the doctrine, not only of the greatest good to the greatest number, but of absolute and complete justice to all. Justice may be attained in two ways—by prevention or by prosecution. Any law designed to benefit the public at large must look to prevention rather than prosecution, and although the Hepburn law provides penalties sufficient to act both as a deterrent and a punishment its



purpose is to provide for the prevention of abuses rather than their punishment after discovery. Damages will seldom compensate a man whose business has been destroyed by rebates allowed to a competitor. His safety lies in the absolute prohibition of those rebates. With these prefatory remarks in mind, the leading provisions of the Hepburn law may be briefly summarized as follows:

1. It amended the Elkins law so as to restore the imprisonment penalty for rebating, made the receiver of the rebate equally guilty with the giver, and provided for the recovery of threefold damages in case of acceptance of rebates. Even before this addition to the law, such vigorous prosecution of rebate cases had been conducted by the Republican Attorney-General, that the practice had become decidedly dangerous, and the statute was shown to be an effective instrument for the punishment and prevention of the crime. Through the enforcement of this Act many fines have been imposed upon carriers and shippers. As compared to rebates, nothing in the past had so powerfully aided the aggressions of industrial trusts, nothing connected with these combinations had been so offensive and destructive to the independent dealers. Within the past four years this evil has been thoroughly suppressed. This is perhaps the greatest benefit that could be conferred upon the general business interests of the country. It gives each man the same opportunity and puts the small dealers on a footing of equality with their largest rivals so far as transportation charges are concerned. The salutary provisions of this law and the resolute and persistent efforts of the Attorney-General during the present administration have practically removed this greatest and gravest of railroad abuses.

2. The Hepburn law gives the Commission power to reduce a rate found to be unreasonable or discriminatory. The primary necessity is equality of charges, but if an established schedule of rates, though actually observed in all cases and applied uniformly to everybody, is unreasonable because excessive, or unfair because it is discriminatory as between different localities or different articles of traffic, then there must be some efficient way of changing the schedule so that it shall be reasonable and free from discrimination. Any remedy in the courts by way of an action is, in the nature of the case, impracticable, for it can only relate to the past and does not act as a protection for the future. The amount involved in a particular transaction and the pecuniary consequences to a single individual are frequently so small in comparison with the cost of protracted litigation in the courts, that any known civil remedy to right offenses of that description has proved futile and inadequate; and even if the person injured could secure damages for past transactions, the offensive rate would still remain in existence. Clearly the adequate remedy is a change in the rate itself, and this remedy is provided in the Hepburn law. To any shipper, large or small, it provides relief by a simple and inexpensive method, and not only allows him the damage he has suffered but also provides against a recurrence of similar offenses in the future. And as the free and equal use of railroads is a political right which it is the duty of the sovereign to enforce, under the procedure now in force the individual shipper is relieved of the burden of expensive and protracted litigation and that task is placed where it belongs—upon the public at large as represented by the Government.

All the shipper is required to do is to show the fault to the Commission. The Commission enters its order of relief, and failure of the carrier to comply therewith becomes an offense, not against the shipper who instituted the action, but against the United States itself; and if further legal proceedings are necessary the strong arm of the Government, backed by its unlimited resources, proceeds to enforce the shipper's rights. As a practical matter, however, every order the Commission has entered since the adoption of the Hepburn law has been and is now being obeyed by the carriers. That its remedies are appreciated and applied by the shipping public plainly appears from the fact that the number of formal proceedings instituted before the Commission since June, 1906, almost equals the total number instituted between 1887 and 1906.

3. The corrective orders of the Commission are now self-operative. Under the former procedure if a carrier elected not to comply with an order it was necessary to bring suit to require enforcement, and the litigation, including appeals, might consume several years, during all of which time the party injured was without relief, and perhaps if the relief sought was finally obtained it came too late to be available. Under the Hepburn law if a carrier believes that an order is not just and lawful it must assume the burden of securing its abrogation by the courts; but it is to be assumed that under the administration of the law by an intelligent, expert, and non-partisan Commission very few cases will arise in which the carrier could convince the courts that the Commission's order of relief is unjust. As stated above, no such case has yet appeared.

4. By requiring thirty days' notice of changes in rates, the Hepburn law has abolished the so-called "midnight tariffs," whereby, under legal forms, favored shippers were given advantages in rates which really amounted to rebates. All incidental services, such as icing, storage, refrigeration, elevation, and the like, are subject to the same restrictions as the transportation itself, and abuses in the use of these incidental services can no longer exist after they are discovered. Moreover, express companies, sleeping car companies, and pipe lines have been made subject to the law and removed from the field of private bargain. So far-reaching is the application of this general principle that even where the shipper performs some part of the transportation service, or furnishes some instrumentality in connection therewith, such as private cars or elevation of grain, the Commission may reduce the compensation allowed by the railroad in case it is found to be excessive.

5. The Commission is authorized to prescribe the forms of any and all accounts, records, and memoranda kept by carriers subject to the Act, and to employ special examiners who shall have authority to inspect and examine any and all of such accounts. The work involved in prescribing a uniform system of accounting has not yet been completed, but it is possible to make a more or less accurate prediction of the benefits expected to accrue from this provision. The right to examine the carriers' accounts at any and all times is perhaps the most adequate means yet suggested for the prevention and detection of rebating and other illegal practices. The provision opens to the Government some degree of administrative supervision over the manner in which the carriers comply with the duties imposed by the law and, by localizing the responsibility for rigid enforcement of the accounting system prescribed, correct application of funds would seem to follow almost automatically. It is further to be expected that a uniform and absolutely truthful system of accounts will not only make railroad reports reliable information for investors but will also produce a stability in railroad securities hitherto unknown. In other words, the market value of railroad securities will automatically adjust itself to the actual commercial value of the property, and cease to be a barometer of questionable operations of high finance.

6. The Hepburn law absolutely prohibits a railroad from acting as a dealer in the commodities it transports. The mere statement of this provision indicates its fundamental necessity, justice, and importance. It restricts the railroad to its proper sphere of action—transportation, and relieves the public of that peculiarly unfair and destructive competition which results when the railroad becomes at once buyer, carrier, and seller.

Perhaps no more honest and unbiased tribute has yet been paid to the wisdom of the administration which placed this law upon our statute books than is found in the Commission's report to the Congress for 1907, summarizing the improvements which have resulted from the rate law. The portion of the report referred to reads as follows:

It is likewise true that the substantial and permanent benefits of this law are indirect and frequently unperceived even by those who in fact profit by its observance. It means much for the present and more for the future that the principles of this law have gained greatly in general understanding and acceptance. The injustice of many practices which were once almost characteristic of railway operations is now clearly apprehended, and an insistent public sentiment supports every effort for their suppression. By railway managers almost without exception the amended



law has been accepted in good faith, and they exhibit for the most part a sincere and earnest disposition to conform their methods to its requirements. It was not to be expected that needed reforms could be brought about without more or less difficulty and delay, but it is unquestionably the fact that great progress has been made and that further improvement is clearly assured. To a gratifying extent there has been readjustment of rates and correction of abuses by the carriers themselves. Methods and usages of one sort and another which operated to individual advantage have been voluntarily changed and it is not too much to say that there is now a freedom from forbidden discriminations which is actual and general to a degree never before approached. As this process goes on, as special privileges disappear, and favoritism ceases to be even suspected, the indirect but not less certain benefits of the law will become more and more apparent.

An incidental respect in which equality of treatment has been greatly promoted is in such matters as switching, terminal, demurrage, reconsignment, elevation, and other charges making up the aggregate cost of transportation. In the past it was often within the power of a carrier to waive charges of this nature in favor of particular shippers while collecting them from business rivals. Now the law and the rules of the Commission require all charges of this description to be plainly stated in the tariffs and to be applied with the same exactness and uniformity as the transportation rate itself. This is only one of the ways in which distinct advance has been made toward placing competing shippers in each locality upon a basis of equality in the enjoyment of public service.

It is this general and marked improvement in transportation conditions that the Commission observes with special gratification. The amended law with its enforceable remedies, the wider recognition of its fundamental justice, the quickened sense of public obligation on the part of railway managers, the clearer perception by shippers of all classes that any individual advantage is morally as well as legally indefensible, and the augmented influence of the Commission resulting from its increased authority, have all combined to materially diminish offensive practices of every sort and to signally promote the purposes for which the law was enacted.

The so-called hours-of-labor law, restricting the hours of labor of employees engaged either as trainmen or as telegraph operators, became effective March 4, 1908, in spite of the earnest entreaties of railroad counsel for postponement of its effective date. The Commission is authorized to execute and enforce the provisions of this law. Although the great object of the Act is to promote the safety of travelers upon railroads, by limiting the hours of service of employees within reasonable bounds, it is none the less true that in actual operation it enforces humane and considerate treatment to employees as well as greater safety to the public. Upon the courage, fidelity, and accuracy of these employees depends the life of every one who travels by railroad. The propriety of this legislation, in respect either of the traveler or employee, needs no demonstration, but its enactment does furnish additional evidence of the desire of the Republican administration to enforce the rights of the employee so far as they fall within its jurisdiction.

For enforcement of the criminal sections of the law the Commission must depend upon the cooperation of the Department of Justice. In this quarter the Commission has been sustained and encouraged in its difficult work and the law has been enforced with a degree of ability and success never before approached. Between the Department and the Commission the most cordial relations constantly obtain, and they have acted together in harmonious effort and with a common purpose to promote the public welfare. The last report of the Commission, submitted to the Congress in December, 1907, contains this significant statement:

In connection with this work of enforcement of the law by means of criminal prosecutions, the Department of Justice and its various District Attorneys have, throughout the year, been active and effective. Almost without exception those prosecutions brought to trial have resulted in convictions; also a number of highly important cases have been won in the appellate courts.

This tribute from an independent and non-partisan board to a Republican Attorney-General carries its own comment.

During the past four years the safety appliance laws have also been the subject of many judicial decisions which materially strengthen and reinforce their requirements. This humane legislation has proved of incalculable benefit to railroad employees and the public generally. It safeguards their dangerous and responsible work, and at the same time gives added security to millions of travelers. These are immense benefits to the public and to hundreds of thousands of the most intelligent and deserving workmen in the country.



### The Results Obtained.

The total number of prosecutions brought in the courts to enforce the Interstate Commerce law under the six years of President Roosevelt's administration ending December 31, 1907, amounted to 50 per cent. more than the total number brought in the fourteen years prior to his administration during which the Interstate Commerce law was in force. In detail the prosecutions under President Roosevelt's administration and the results thereof are as follows: The Department of Justice has secured 126 indictments, upon which there have been 34 convictions, 2 acquittals, 2 suits nolle prossed, demurrers sustained in 5, indictments dismissed in 3, and 74 are pending.

The foregoing summary includes all actions brought during President Roosevelt's administration, both prior and subsequent to the enactment of the Elkins law in 1903. As indicating the efficiency of that legislation, it appears that 120 of the 126 indictments mentioned have been secured since the passage of that Act. Of these indictments 49 were for receiving rebates; of that number 27 are still pending and convictions have been secured in 18 out of the remaining 22 cases; the aggregate fines imposed were \$29,520,075, or a total of \$280,075 if the recent Standard Oil fine of \$29,240,000 be eliminated from the list. For the granting of rebates 56 indictments have been secured, of which 40 are still pending. Convictions have been secured in 13 out of the remaining 16 cases, and the fines imposed aggregate \$697,000. Six indictments have been secured for conspiring to obtain rebates. Two cases are pending and two convictions have been secured in which the fines imposed amount to \$27,050. One conviction has been secured for failure to file tariff schedules and a fine of \$15,000 imposed.

A fair conception of the work performed by the Commission in the field of regulation is not possible without reference to the results attained in respect to these cases in which formal complaint is not filed, nor proceedings of a formal nature pursued by the complainant. The public is not advised of the full extent of the work accomplished in securing, through correspondence, the voluntary adjustment by carriers of questions in dispute relating to interstate transportation, nor is the public cognizant of the extreme importance and value of the results attained.

Through the medium of correspondence is secured the settlement of many matters extremely vexatious to shippers. The questions thus amicably adjusted are not alone questions affecting the interest of individuals; on the contrary, the effect of the action taken by carriers in the adjustment of these complaints is often of widespread interest and advantage to large communities, if not indeed of vital importance to considerable sections of country. Controversies arising out of the relations between the carriers themselves are likewise, in many instances, presented to the Commission for arbitration. The Commission is also called upon frequently by traffic officials of carriers to indicate what is considered to be the proper and lawful course to be pursued in respect to the application of rates or regulations affecting transportation. Thus it will be seen that many great benefits result from the adjustment or settlement, through correspondence, of questions informally submitted for investigation.

During 1907 more than 4,300 complaints of this character were filed with the Commission, as against 503 in the year 1905, and 1,002 in the year 1906, showing an increase of more than 400 per cent. over the preceding year. Upon such complaints reparation was allowed to injured shippers in 561 cases, aggregating about \$104,700. All of the adjustments involved have been secured as the result of friendly intervention and correspondence by the Commission with the parties interested. These informal complaints relate to every conceivable subject connected with the rates, methods, practices, and service of interstate carriers.

Perhaps no part of the Commission's work since the passage of the Hepburn law has been of more far-reaching importance, or will be more productive of equality of treatment and charges, than the reforms which have been instituted in respect to the

publication and filing of tariffs. In the past many tariff publications were so voluminous, intricate, and complex that it was difficult even for an expert to determine a particular rate. Opportunities to get business were met by the issuance of tariffs "expiring with this shipment;" by quotation of rates found in some other carrier's tariffs and applicable via another route; by quotation of rates not found in any tariff; by forwarding under regular tariff rates and refunding an agreed upon proportion thereof, and by forwarding under regular tariff rates and agreeing to "protect" the rate of any competing carrier. Joint through rates were frequently in excess of the sums of the local rates between the same points, and the tariffs contained notations that if lower combinations could be made upon given points, such lower combinations would apply. The net result of this situation was that no absolute rate was stated. The large shipper with a force of tariff experts at his command by means of his special knowledge of the possibilities of combinations, rates via competing routes, reconsignment and other practices could secure rates lower than those which appeared on the face of the tariffs to be in force, and perhaps the only person who paid the full tariff rate was the small shipper, without the expert knowledge necessary to manipulations of this sort.

Definiteness, clearness, and simplicity in stating transportation charges, uniformity in applying rates so stated, and stable conditions are the ends aimed at in the law and enforced by the Commission. The rules which the Commission has promulgated have eliminated the complexities and contradictions which in the past have characterized tariff construction and have resulted in securing the publication of a single rate for a given service applicable to the shipper without expert knowledge as well as to the industrial combination with a force of trained men at his command. Perhaps more than individual reductions of excessive rates, or convictions for rebate, this reform has brought about absolute equality between shippers large and small in the payment of freight charges. Generally speaking the existence of a joint through rate in excess of the sums of the locals was indefensible, and the Commission's rules upon this subject have resulted in the actual reduction of such higher through rates in thousands of instances. The magnitude of the work is suggested by the fact that in the 12 months ended November 30, 1907, there were filed with the Commission 220,982 tariff publications, all containing changes in rates and rules governing transportation, and about 400,000 notices of concurrence in tariffs. It cannot be doubted that the reformation of the railroad tariffs of the country in such shape that the legal rate can be easily ascertained by a person of ordinary intelligence will be perhaps of as much benefit to the carriers and their agents as it is to the public at large.

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#### THE COURTS AND THE CORPORATIONS.

The work of the Department of Justice and of the Interstate Commerce Commission with reference to corporations is stated in the chapters relating to those branches of the Government, but the following summarization of the important cases acted upon by the courts during the past four years will be of additional value in this connection.

The Act of June 29, 1906, known as the Hepburn Rate Law, amended and strengthened the Interstate Commerce laws respecting rebates in interstate transportation, and in many other important particulars, embracing within those laws oil pipe lines, express companies, and sleeping car companies as common carriers in interstate transportation, prohibiting interstate passes or free transportation, prohibiting railroads to transport from one State or Territory to another, or to a foreign country, commodities in the production or manufacture of which they are interested directly or indirectly, giving the Interstate Commerce Commission power to determine and enforce just and reasonable maximum rates, and enlarging the powers of the Commission



to elicit and compel information from railroad carriers as to their capitalization, indebtedness, earning, operation, etc.

Important cases are now pending in the courts relative to various features of this law, especially the commodity clause, the power of the Commission to fix rates and to compel the production of information. These cases are under the special control and direction of the Attorney-General, and will receive his personal attention in the argument in the Supreme Court when they reach that tribunal.

In the *Beef Trust Case* the Supreme Court held that a combination of a dominant proportion of the dealers in fresh meat throughout the United States, in order to regulate prices and restrict shipments, is an illegal combination within the prohibition of the Sherman Anti-Trust law. (Decided January 30, 1905; 196 U. S., 375.)

In the cases against the *New York, New Haven & Hartford* and the *Chesapeake & Ohio Railway Companies*, the important point decided by the Supreme Court was that a carrier under the Interstate Commerce Act cannot contract to sell and transport and deliver a certain commodity when the transaction amounts to granting indirectly a less rate than the published rate for the transportation; that, whatever the device or method, such a contract is illegal under the Interstate Commerce laws if the amount charged for transportation is less than the published rates. (Decided February 19, 1906; 200 U. S., 361.)

In the recent case of the *Great Northern Railway Company v. United States* (decided February 24, 1908, 208 U. S., 452), the Supreme Court adopted the Government's construction of section 10 of the Hepburn law, and held that the provision therein contained relating to pending prosecutions was only intended to save methods of procedure provided for by the old law, and did not operate to release prior offenders from prosecution. The result of this decision enabled the Government to prosecute all offenses which had been committed against the Elkins Law prior to the passage of the Hepburn Law, provided, only, such offenses were not barred by the statute of limitations when instituted.

In the other recent cases of the packing companies (decided March 6, 1908, 209 U. S., 56), several important questions were decided in favor of the Government.

1. It was held that a "device" to obtain rebates, in order to come within the prohibition of the Interstate Commerce Law, including the Elkins Act, need not necessarily be fraudulent, but that the term "device" includes any plan or contrivance whereby merchandise is transported for less than the published rate, or whereby any other advantages may be given to or discriminations practiced in favor of the shipper.

2. It was held that the shipper and the carrier could not make a "contract" for the transportation of freight at the legal rate and for a reasonable length of time which would protect the shipper from a prosecution at the instance of the Government on the charge of receiving a rebate *in the event* that the carrier *subsequently* and during the life of the contract *advanced* the rate as provided by law and notwithstanding such advance the shipper still continued to ship under his contract rate.

3. It was also held in this case that in prosecutions for violations of the Elkins Act the Government could prosecute either the carrier or the shipper in any judicial district through which the transportation was conducted; in other words, that the carriage of the merchandise was a necessary and indispensable element of the offense defined by the law. This was a most important question to have settled for our guidance with respect to future prosecutions.

In the case of the Government against the *Standard Oil Company of New Jersey* as an illegal combination in restraint of trade, a preliminary victory was won by the Government respecting jurisdiction, the power of Congress to authorize the process of a Federal Court to run outside its district, and other related questions, by a decision of the Circuit Court in the Eastern District of Missouri, March 7, 1907. (*U. S. v. Standard Oil Co.*, Fed. Rep., 290)



This case, which is the usual suit in equity under the Sherman law to dissolve an illegal combination is steadily proceeding on the taking of testimony, and it is expected will be heard by the Circuit Court within the next six months. The Government is also conducting other proceedings against the Standard Oil Company, including a prosecution for taking rebates on shipments of oil from the Western Pennsylvania and New York oil fields to New England points, which is pending and will soon be tried in the Circuit Court of the United States for the Western District of New York.

In the case of the United States against the *Standard Oil Company of Indiana*, in which a fine of \$29,240,000 was imposed, the United States District Court for the Northern District of Illinois held that under contracts by a shipper for through interstate shipments solely with one railroad company, although such shipments passed over the lines of other companies, a common arrangement between the carriers for a continuous carriage is sufficiently proved, and that under such a contract and arrangement, where the shipper obtained a concession from the lawful published rates in interstate shipments in violation of the Federal law, the fact that another railroad or route may have had a published rate about as low is immaterial, the shipper is chargeable with knowledge of the lawful rate where it has been published and filed in accordance with law and is accessible to the public, unless he is misled after using proper diligence to ascertain the rate; and, finally, that under the provisions of the Elkins Act forbidding the giving or receiving of rebates, where a shipper has been continuously receiving rebates the Government is not limited to a prosecution for a single offense, but each shipment made at the illegal rate constitutes a separate offense, and under established rates on car lots, each car constitutes a separate shipment. (Decided August 3, 1907; 155 Fed. Rep., 305.)

The judgment in this case was reversed in the Circuit Court of Appeals and the case remanded with instructions to grant a new trial by an opinion filed July 22, 1908, on the grounds that the trial court erred in its rulings on the admission and exclusion of evidence bearing on the shipper's intent and its actual knowledge of the lawful published rate; that the trial court also erred in making each carload and not an entire shipment the unit or integer to determine the number of offenses, and abused the discretion vested in the court in imposing the fine.

It is the earnest contention of the Government that the Court of Appeals mistook the state of the case shown by the record as to the admission and exclusion of evidence, and adjudged the other propositions of law incorrectly in view of the authorities. Immediate steps will be taken to have this decision reconsidered and reviewed in all the ways known to the law.

On July 29, the Attorney-General issued the following statement regarding the case:

"The Government will make every effort in its power to secure a revision of the recent decision and opinion of the Circuit Court of Appeals for the Seventh Circuit in the case of the Standard Oil Company of Indiana, either by the Court of Appeals itself, or, if necessary, by the Supreme Court of the United States. The gentlemen who have been in consultation with me all unite in my opinion that in the interest of the impartial and effective administration of our laws, such action on the part of the Government is imperatively demanded by the circumstances of the case and the possible consequence if this opinion should stand as authority without question by the government.

"To this end an application for a reargument of the case and a motion for a modification of the opinion will be submitted to the Circuit Court of Appeals in behalf of the United States at the earliest possible moment. Other appropriate steps will be taken afterward, their character to be determined by the Court's action upon this application.

"The pending prosecutions in which the giving or receiving of rebates or offenses of like character are charged will be pressed to trial and judgment by the government with all possible energy and as promptly as may be practicable.

"In the view of the Government's legal advisers the reversal of the judgment in the case recently decided in no way affects the merits of that controversy or the necessity and duty of bringing to punishment if possible in this and any other cases any individual or corporation shown to have evaded or defied the laws."

In *United States v. McAndrews & Forbes Co.*, an indictment under sections 1 and 2 of the Sherman Anti-Trust law of

one of the constituent members of the Tobacco Trust, it was decided on demurrer, among other points, that a corporation may be liable criminally for conspiracy, and that an indictment under the anti-trust law may charge all who aid in the commission of the offenses as principals, and a corporation and its officers who personally participated in committing the offenses may be joined as defendants, although their acts may be separate and not done at the same time, and that to bring any given case or scheme within the law, the restraint of trade need not amount to a total suppression, nor the attempt at monopoly to a complete monopoly, but it is sufficient if the necessary operation tends to restrain interstate commerce and to deprive the public of the advantages flowing from free competition. (Decided December, 1906; 149 Fed. Rep., 823.) The case is now pending in the Supreme Court, having been taken there on a writ of error by the defendants, who were convicted in the trial court.

In the proceedings preliminary to the *Paper Trust* suit and the *Tobacco Trust* prosecution, the United States won a very important victory by compelling certain witnesses to testify under personal immunity, without protecting other persons or corporations, with the result that in the *Paper Trust* case the final decree provided for its dissolution, and the *Tobacco Trust* prosecutions are proceeding, along with a suit in equity to dissolve that combination, with the aid of the testimony and information of which the Government compelled the production. (*Paper Trust Cases*, 201 U. S., 92, 117; decided March 12, 1906; *Tobacco Trust cases*, id., 43, 90, decided same day.)

In the suit in equity to dissolve the *Tobacco Trust* the testimony has all been taken, and the argument before the Circuit Court has just been completed, May, 1908.

The suit against the *Anthracite Coal Trust* is now ready to be pressed vigorously, and active proceedings will be undertaken forthwith and maintained in the Federal Court for the Eastern District of Pennsylvania, where the bill to dissolve the combination was filed.

In the case of the *United States v. The New York, New Haven and Hartford Railroad Company et al.*, recently instituted in the United States District Court for the District of Massachusetts, the Government seeks to enjoin that company from exercising further control through stock ownership over the Boston and Maine Railroad Company and to prevent the New Haven road from controlling the various trolley lines paralleling said road in the States of New York, Connecticut, Rhode Island and Massachusetts. The bill charges the New Haven road with combining and attempting to combine under one common control the various railroad systems and electric railway systems in New England.

It will thus be seen that, in obedience to the demand of the people and the legal and economic policy reflected in the Sherman law, the Republican administration, legislative and executive, has been steadily proceeding during the last four years to maintain its record of uncompromising prosecution against the great combinations which are violating the law. It is clear that the Government policy and efforts have been to reach the strong and vast aggregations of power and capital, rather than to avoid enforcement of the law against them and proceed against minor and less culpable defendants, and the foregoing review shows also that the results achieved have been commensurate with the importance of the subject and with the efforts of the Government.

#### THE CAST-IRON PIPE CASE.

##### Judge Taft's Decision and its Important Relation to the Trust Question.

No list of judicial decisions declaring the power of Congress over combinations in restraint of trade is complete without naming the Addyston Pipe & Steel Co. case. It was one of the early and most important successes of the Federal Government in attempting to enforce the Sherman Anti-trust Act,



and was a signal judicial victory for Judge William H. Taft, for the Supreme Court in deciding the case affirmed the Circuit Court of Appeals and adopted the reasoning and quoted a considerable portion of Judge Taft's opinion in deciding the case in the lower court. The Circuit Court had decided the case against the Government in a long and exhaustive opinion, so that the decision of the Appellate Court, delivered by Judge Taft, which the Supreme Court held was the law was a path-breaking one and blazed the way for later decisions which have settled beyond all dispute the wide-reaching power of Congress under the Interstate Commerce clause of the Constitution. When the case was first tried, over eleven years ago, the power of Congress was not clearly understood, even in the minds of lawyers and court.

The history of the case, briefly stated, is as follows: The Attorney-General of the United States filed a bill in equity against six corporations engaged in the manufacture of cast-iron pipe, charging them with a combination and conspiracy in unlawful restraint of interstate commerce in such pipe in violation of the "Anti-trust Law." The companies manufactured iron pipe in four different States and they divided their sales territory into six districts, and agreed not to bid against each other, though fictitious bids were put in at prices higher than was bid by the member of the combination in whose territory the particular contract to be bid on was located. The Circuit Court dismissed the bill, basing its decision mainly on the case of *United States vs. E. C. Knight Company*, wherein the United States Supreme Court dismissed a bill filed under the anti-trust law, which sought to enjoin the defendants from continuing a union of substantially all the sugar refineries of the country for the refining of raw sugars. The Supreme Court held the monopoly thus effected was not within the law, because the contract or trust agreement related only to the manufacture of sugar and not to its sale, and it was not within the power of Congress to regulate manufacture within a State. The trial court held the cast-iron pipe case was governed by the reasoning in the sugar trust case, and decided against the Government. The case was appealed to the Circuit Court of Appeals, and was heard by Mr. Justice Harlan, of the Supreme Court, and Circuit Judges Taft and Lurton. This court held the combination was unlawful, both at common law and under the Sherman act of 1890 against trusts and monopolies.

Judge Taft's opinion, delivered February 8, 1898, was hailed by the Government as a great victory in its fight against monopolies, and on December 4, 1899, the Supreme Court affirmed Judge Taft's decision and adopted his reasoning and the very language in his opinion.

The closing paragraph of Judge Taft's opinion is worth quoting entire: "Much has been said in argument as to the enlargement of the Federal Government functions in respect of all trade and industry in the States if the view we have expressed of the application of the anti-trust law in this case is to prevail, and as to the interference which is likely to follow with the control which the States have hitherto been understood to have over contracts of the character of that before us. We do not announce any new doctrine in holding either that contracts and negotiations for the sale of merchandise to be delivered across State lines are interstate commerce, or that burdens or restraints upon such commerce Congress may pass appropriate legislation to prevent, and courts of the United States may in proper proceedings enjoin. If this extends federal jurisdiction into fields not before occupied by the general government, it is not because such jurisdiction is not within the limits allowed by the Constitution of the United States."

Not one of the least of Judge Taft's services to his country was his illuminating and record-making decision in the Addyston Pipe and Steel Company case.

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**One vital, dominating fact confronts the Democratic party which no oratory, which no eloquence, which no rhetoric can obscure: BRYAN'S NOMINATION MEANS TAFT'S ELECTION.—New York World.**



**THE DEMOCRATIC PLAN OF TRUST REGULATION IS THE PLAN PROPOSED BY STANDARD OIL MAGNATES.**

The plan which the Democratic national platform of 1908 proposes for the control and regulation of trusts and corporations engaged in interstate commerce is precisely that proposed and publicly recommended by the Standard Oil President and Vice-President. Moreover, it is certified to by Mr. Bryan's paper, the "Commoner," as the genuine Standard Oil plan.

The "Commoner," in its issue of October 31, 1902, says:

The plan of vesting in the Federal Government exclusive control of trusts was not originated by the present leaders of the Republican party. John D. Rockefeller in his testimony before the industrial commission, when asked what legislation would be advisable, said: "First, federal legislation under which corporations may be created and regulated, if that were possible." Vice-President Archbold, of the Standard Oil Company, said: "The next great and, to my mind, inevitable step of progress in the direction of our commercial development lies in the direction of national or federal corporations." Henry H. Rogers, a Standard Oil magnate, indorsed Mr. Archbold's suggestion.

**The Plan Proposed by Standard Oil Magnates in 1899.**

The recommendations of the Standard Oil magnates referred to by Mr. Bryan's "Commoner" and apparently followed in the Democratic platform of 1908, will be found in detail in Vol. 1 of the Report of the Industrial Commission. On page 797 Mr. Rockefeller is asked: "What legislation, if any, would you suggest regarding industrial combinations?" His answer is: "First, *Federal legislation under which corporations may be created and regulated*, if that be possible; second, in lieu thereof, State legislation as nearly uniform as possible encouraging combinations of persons and capital for the purpose of carrying on industries, but permitting State supervision, not of a character to hamper industries, but sufficient to prevent frauds upon the public."

(Signed) JOHN D. ROCKEFELLER.

On page 565 of the same volume, Mr. Archbold, Vice-President of the Standard Oil Company, says: "If you should ask me, gentlemen, what legislation can be imposed to improve the present conditions, I answer that the next great, and to my mind, inevitable step of progress in the direction of our commercial development lies in the direction of National or Federal corporations. \* \* Lack of uniformity in the laws of various States, as affecting corporations, is one of the most vexatious features attending the business life of any great corporation today, and I suggest for your most careful consideration, the thought of a Federal Corporation law."

**The Plan Proposed by the Democratic Platform in 1908.**

The portion of the Democratic national platform of 1908 which offers the plan of the Democratic party with reference to trust regulation is as follows:

"We favor the vigorous enforcement of the criminal law against guilty trust magnates and officials, and demand the enactment of such additional legislation as may be necessary to make it impossible for a private monopoly to exist in the United States. Among the additional remedies we specify three: First, a law preventing a duplication of directors among competing corporations; second, *a license system which will, without abridging the right of each State to create corporations, or its right to regulate as it will foreign corporations doing business within its limits, make it necessary for a manufacturing or trading corporation engaged in interstate commerce to take out a Federal license before it shall be permitted to control as much as twenty-five per cent of the product in which it deals*, the license to protect the public from watered stock and to prohibit the control by such corporation of more than fifty per cent of the total amount of any product consumed in the United States; and, third, a law compelling such licensed corporations to sell to all purchasers in all parts of the country on the same terms, after making due allowance for cost of transportation."

The Republican platform, *instead of proposing to give special favors to certain corporations in the form of Federal licenses as proposed by the Standard Oil magnates and the Democratic party*, proposes uniform and equal enforcement against all corporations, great or small, of existing law and such further laws as may be necessary. The plank of the Republican platform of 1908 is as follows:

"The Republican Party passed the Sherman Anti-trust law over Democratic opposition and enforced it after Democratic dereliction. It has been a wholesome instrument for good in the hands of a wise and fearless administration. But experience has shown that its effectiveness can be strengthened and its real objects better attained by such amendments as will give to the Federal Government greater supervision and control over and secure greater publicity in the management of that class of corporations engaged in interstate commerce having power and opportunity to effect monopolies."

It must be, at least, a pleasing surprise to the Standard Oil Company, after its recent experience with Republican officials in enforcement of existing laws, to find the Democratic platform declaring for the very legislation publicly recommended by its President and Vice-President in 1899 and certified to by Mr. Bryan's "Commoner" in 1902, as the genuine Standard Oil plan in behalf of corporations.

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The biggest corporation, like the humblest private citizen, must be held to strict compliance with the will of the people as expressed in the fundamental law.—President Roosevelt at Cincinnati, Ohio, September 20, 1902.

The tariff affects trusts only as it affects all other interests. It makes all these interests, large or small, profitable; and its benefits can be taken from the large only under penalty of taking them from the small also.—President Roosevelt at Minneapolis, April 4, 1903.

Under present-day conditions it is as necessary to have corporations in the business world as it is to have organizations—unions—among wage-workers. We have a right to ask in each case only this: that good, and not harm, shall follow.—President Roosevelt at Providence, R. I., August 23, 1902.

Mr. Bryan's whole system of remedies for the evils that both Mr. Roosevelt and he and many others recognize, is based on his distrust of the honesty, courage and impartiality of the individual as an agent on behalf of the people to carry on any part of government and rests on the proposition that our present system of representative government is a failure. He would have government ownership of railways because he does not believe it is possible to secure an interstate commerce commission that the "money power" cannot and will not ultimately own. He would have the initiative and referendum because he distrusts representative government and has no confidence in the ability of the people to find men who will conscientiously, and free from the influence of the "money power," represent them in preparing and voting legislation. He would take away from courts, because he distrusts the ability of judges to resist the malign influence of the "money power," the power to enforce their own orders until a jury is called to tell the court whether the order has been disobeyed, and thus, in practice, though not in theory, the jury would come to pass on the correctness and justice of the court's order.—Hon. Wm. H. Taft, at Columbus, Ohio.

The Democrats are a party having no solidarity, uniting elements that are as unmixable as oil and water, and when they come to make a government, should they ever be elected to power, the administration would become as nerveless as a man stricken with paralysis, because the radical difference between the elements necessary to make up the party would be so great as to produce perfect stagnation in legislative provision for the emergencies which might arise. The Democratic party today, as organized, is nothing but organized incapacity. Neither element of the party would have a sense of responsibility strong enough to overcome its antagonism to the principles upheld by the other faction, were it to come into power.—Hon. Wm. H. Taft, at Montpelier, Vermont.

One vital, dominating fact confronts the Democratic party which no oratory, which no eloquence, which no rhetoric can obscure: BRYAN'S NOMINATION MEANS TAFT'S ELECTION.—New York World.



## THE MONEY PANIC OF 1907.

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The panic of 1907 was financial, not industrial or commercial. The country was at the high tide of industrial and commercial activity. The great manufacturing industries and those related thereto were making their highest records. The value of manufactures shown by the census of 1905 (including its estimate for customs work and repairing) aggregated nearly 17 billion dollars, against 13 billions in 1900, 9 1-3 billions in 1890, and 5 1-3 billions in 1880. The imports of manufacturers' materials in the fiscal years 1906 and 1907 so much exceeded those of 1905 as to make it perfectly apparent that the manufacturing activities of those years were still in excess of those recorded by the census of 1905. Not only were imports of manufacturers' materials higher in 1907 than ever before, but exports of manufactures were also in excess of any former year, thus again indicating unusual activity in manufacturing; while the fact that the quantity of pig iron produced, the quantity of coal mined, the quantity of freights carried on the Great Lakes and on railroads, the quantity of grain, flour, cotton, live stock, meats and other commercial staples arriving at the great interior centers and departing therefrom was also greater than ever before, gives further evidence that the commercial as well as industrial conditions of the early and mid-summer months of 1907 were at high-water mark. The railroads, with all their greatly increased facilities in trackage, in cars and equipment, were unable to respond to the business activity, and James J. Hill, a distinguished Democrat, who had declared in November, 1906, that the traffic congestion exceeded imagination, and that there was neither money enough nor rails enough in the world to build track enough to carry the traffic offered, declared again in 1907 that the railroads would need 1,100 million dollars yearly for five years for construction work.

The demands for money for conducting and enlarging these great industrial, commercial, and transportation enterprises grew apace. In January, 1907, the Chicago and Alton sold \$6,000,000 of notes, the Western Indiana \$5,000,000, the Southern \$15,000,000, New York Central \$50,000,000, and the Chicago and Northwestern voted to issue \$25,000,000 of stock. In February the Rock Island sold \$6,500,000 of notes, the Lackawanna Steel Company \$5,000,000, the Interborough Rapid Transit Company of New York \$10,000,000, the Pennsylvania \$60,000,000, the Tidewater Railroad \$10,000,000. New York city sold \$30,000,000 of bonds and the New Haven road \$28,000,000 of bonds. In the succeeding months the issues of securities of this character continued until by the middle of the year the total thus issued in sums sufficiently large to be easily noted aggregated more than a thousand million dollars of securities thus placed upon the market, and this continued into August and September, despite the fact that the scarcity of money resulted in the actual issue of but one billion dollars' worth of railway notes, stocks and bonds out of a total of more than 1½ billions authorized. But the world's losses of capital by wars, coupled with the speculative investment, rendered loans more and more difficult.

The amount of money in circulation in the United States was nearly three billion dollars, and including the money in the Treasury exceeded three billions, and the amount of per capita circulation was larger than ever before, being over \$32, as against a little over \$21 in 1896. Nine-tenths of the business was as usual in times of financial peace, being transacted by the use of checks, script, notes and other financial paper. Millions of holders of surplus money had deposited the surplus in banks, which in turn had loaned the legitimate proportion of their deposits, and these had been in turn deposited by those to whom the loans were made or by others, so that the aggregate record of deposits in all banks and loan and trust companies of the country was in 1907 over 13 billions of dollars, while the actual amount of money in



the country was, as above shown, but about three billion dollars. It goes without saying that any sudden incident which would startle and alarm these millions of depositors whose bank records showed an aggregate of 13 billions of dollars would cause them suddenly to rush to the banks and demand their money, thus creating not merely a panic, but rendering the banks physically unable to meet their demands, since the credits to depositors amounted to more than four times the amount of money actually in the country, including both that in circulation and the amount held by the Treasury.

In October occurred a series of incidents sufficient to cause just the sort of alarm indicated. The three Heinze Brothers, large operators in Wall street, failed in an attempt to manipulate certain copper stocks, and this resulted in a run upon the Mercantile National Bank, of which one of the brothers was president. The collapse of the copper pool and the resulting loss of confidence in the Heinze Mercantile National Bank led to a distrust of certain other banks, and this being followed by the compulsory resignation of certain bank officers increased the alarm of depositors, and runs were begun, resulting in demands which were far in excess of the ability of banks instantly to meet. As the panic spread to other parts of the country other millions of depositors demanded their hundreds of millions of deposits, and again in excess of the immediate ability of the banks to respond, although practically all of them would have been, under ordinary conditions, able to meet the ordinary calls from their depositors. This condition was met in part by additional deposits of public moneys in national banks, as shown by extracts on subsequent pages from the report of the Secretary of the Treasury to Congress, appended hereto; in part by the issuance of clearing-house certificates, in part by the refusal of banks to pay on any one day more than a small percentage of the sum due each depositor, and in other cases by the declaration of a two weeks' holiday by the governors of certain States, thus holding in check the momentary alarm, and by January the banks of the country had returned to a cash basis and to full cash payment of such calls as were made upon them by their depositors.

The President in his message of December, 1907, recommended legislation providing for a more elastic currency by issuing emergency circulation, secured by State and municipal bonds. This recommendation gave rise to the introduction of various financial bills, among which were the Aldrich bill, introduced in the Senate, and the American Bankers' Association bill, the Fowler bill, the Vreeland bill, and many other bills, introduced in the House. There was a spirited discussion in both houses of Congress, and wide differences of opinion prevailed as to the merits of the various plans. This resulted at the close of the session in a compromise bill, which was signed by the President on May 30. This bill was designed to prevent the recurrence of the financial troubles experienced in the autumn of 1907, among which was the need of additional currency for emergency purposes. The bill as passed, stated briefly, provides for the issuance of emergency currency on State and municipal bonds at 90 per cent of the unimpaired capital and surplus of the bank, and other securities at 75 per cent of their cash value. The applications for the issue of emergency currency are to be made to the Comptroller of the Currency and submitted by him to the Secretary of the Treasury, the securities pledged for the issue of such currency to be guaranteed by the national currency associations. This legislation marks a very liberal and progressive step forward in the securing of an elastic currency. At the same time the Treasury is amply safeguarded by the guaranty of the associations, which practically eliminates all hazard as to the soundness of the security. The high rate of 5 per cent to 10 per cent per annum is expected to retire the circulation when the emergency is past.

The able management of the Secretary of the Treasury in utilizing public funds to stay the incipient panic of March, 1907, and his timely preparation for anticipating the need of money for crop moving purposes by depositing funds early in the national banks to prevent a tightness in the money market, deserves high commendation. It was an action of prevention, instead of

waiting for a cure, which latter always involves cost and disaster. When the panic reached most dangerous proportions in New York the Secretary of the Treasury hastened there, and with the prompt cooperation of the bankers \$150,000,000 were pledged to stay the progress of the panic. Of this sum about \$40,000,000 were pledged in a temporary way by the United States Treasury. Further aid was extended by the Secretary of the Treasury issuing 3 per cent certificates of indebtedness and Panama bonds. He permitted the banks to take out circulation on these securities, and also allowed them to substitute bonds acceptable for savings bank investments for Government bonds pledged for public deposits, provided the released bonds were used for securing additional bank note circulation. In this way some \$86,000,000 in national bank notes were issued from October 1, 1907, to January 1, 1908. This action was severely criticised by many who did not understand the conditions that required it. His remarkable reply to Congress, giving reasons to justify the steps he had taken to relieve the situation, won the approbation of Congress as well as that of the country.

In addition to emergency legislation, a commission was appointed, known as the "National Monetary Commission," composed of nine members, to inquire into and report to Congress at the earliest practicable date what changes are necessary or desirable in the monetary system of the United States, or in the laws relating to banking and currency, which should enable Congress to legislate intelligently and to assure the country a sound, scientific, and elastic currency to meet all the conditions of our modern business life.

Discussing the panic and its causes, Secretary Taft in an address before the Merchants and Manufacturers' Association of Boston, on December 30, 1907, said: "The world generally has a certain amount of loanable capital available for new enterprises or the enlargement of old ones. In periods of prosperity this capital, with the instrumentalities for enlarging its potentiality by credits, is put into new enterprises which are profitable, and the increase in free capital goes on almost in arithmetical progression. After a time, however, expenses of operation and wages increase and the profit from the new enterprises grows smaller. The loanable capital gradually changes its form into investments less and less convertible. Much of that which might be capital is wasted in unwise enterprises, in extravagance in living, in wars and absolute destruction of property, until the available free capital becomes well nigh exhausted the world over, and the progress of new enterprises must await the saving of more. Men continue to embark in new enterprises, however, the capital fails them and disaster comes.

"For eight or nine months last past there were many indications that the loanable capital of the world was near exhaustion. This result was brought about not only by the enormous expansion of business plants and business investments, which could not be readily converted, but also by the waste of capital in extravagance of living and by the Spanish war, the Boer war, and the Russian-Japanese war, and in such catastrophes as Baltimore and San Francisco. It became impossible for the soundest railroads and other enterprises to borrow money for new construction or reconstruction. The condition was not confined to this country, but extended the world over, and was made manifest in the countries of Europe even before it was felt here.

"Secondly, the conclusion cannot be avoided that the revelations of irregularities, breaches of trust, stock jobbing, overissues of stock, violations of law, and lack of rigid State or National supervision in the management of some of our largest insurance companies, railroad companies, traction companies, and financial corporations shocked investors and made them withhold what little loanable capital remained available. Such disclosures had much more effect, probably, abroad than they had here, because here we are able to make distinctions, while there, at a remote distance, the revelations created distrust in our whole business fabric.

"When, therefore, two or three institutions, banks and trust companies, supposed to be solid, were found to have their capital impaired by stock jobbing of their officers, the public were easily



frightened and the run upon the banks began. The question then became not one of loanable capital, but of actual money to be used in the transaction of the day, a very different question, though of course closely related.

"It would seem that our system of currency is not arranged so as to permit its volume to be increased temporarily to counteract the sudden drain of money by the hoarding in a panic. It is probable that the stringency which reached its height on that dark day of October 24 might in part have been alleviated had we had a currency which could automatically enlarge itself to meet the tremendous demand of a day or a week or a month while public confidence was being restored. The National Administration, together with many of the large capitalists of New York and elsewhere, put their shoulders under the load, and by various devices of an unusual character have brought about the present condition of gradually increasing confidence.

"The injurious consequences to follow from this panic are not likely to be so long drawn out or to result in such disastrous industrial depression as the panic of 1893 or the panic of 1873, and this for the reason that the condition of the country makes it so much easier to resume business gradually, to accumulate capital, and then to renew those enterprises which had to be abandoned for the lack of it."

W. B. Ridgely, who was Comptroller of the Currency during the financial troubles of 1907, says: "As long ago as the date of the San Francisco catastrophe there has been no lack of warning indications of financial troubles and possible business disaster. For at least 10 or 12 years there has been an era of advancing prices and great industrial, commercial, and speculative activity in all countries of the world. Credits have increased and multiplied until the limit has been reached in the amount of reserve money on which it must be based. \* \* \* These conditions have been world-wide and by no means confined to the United States. Crises of more or less severity have arisen in several important countries, and, as is always the case when there is a demand for liquidation, it first manifested itself in the stock market."

Representative Hill of Connecticut, discussing the subject, said: "The panic of 1907 began with the distrust of individual credit and a profound suspicion of the banks managed by the men whose credit was so distrusted. The causes lay deeper, but they were manifested in the weakest spot. The conditions which brought the panic were world-wide and not confined to the United States."

Representative Vreeland of New York said in a speech in Congress upon this subject: "On the first day of October the American people were blest with great prosperity. Everywhere the millions of our people were engaged in gainful occupation. Our mills and factoris were uable to fill their orders. The consuming power of our people had never been greater. The railroads of the country could not furnish sufficient cars to move the products of farm and factory. The people of New York city took fright and commenced drawing their deposits from other banks. The bankers clear across the continent became alarmed, and all tried to draw their money from New York in cash at one time. The result was that the New York banks were obliged to refuse payment, and a general suspension of cash payment took place throughout the United States."

Representative Weeks of Massachusetts, discussing this question in the House of Representatives, said: "The reasons for this panic were, generally speaking, overspeculation, overcapitalization, overexpenditures by the Government, States and municipalities, as well as by individuals, the tying up of large amounts of capital in permanent fixtures instead of retaining it as liquid capital, the carrying of excessive stocks of goods, the abnormal development of business in every branch, all of which led to the credit expansion of the dollar to the breaking point. Credit having been broken down, the natural and usual result followed."

Representative Overstreet of Indiana, in discussing this subject in the House of Representatives, said: "The recent panic followed unusual and startling disclosures of fraud and mismanagement in some of the great insurance companies and other leading enterprises of the country. It followed the further disclosure of



unprincipled financiering, as illustrated in the Alton Railway deal and as practiced by speculative bankers of the type of the Heinze syndicate of banks in New York. Overspeculation, unwarranted extension of credits, and a disregard of honest methods in business transactions alarmed the country. These disclosures developed a lack of confidence and trust in men and not in business. With all these forces combined, the onslaught overthrew public confidence, money went into hiding, loans were called, factories were closed, and liquidation set in. It was impossible to foresee these conditions, and they came without warning and at a time when the business conditions of the country were at high tide."

Senator J. W. Bailey of Texas (Democrat) said, in discussing this subject in the Senate: "I have my opinion, and it is a very definite one, as to what produced the recent financial stringency. \* \* \* It was due immediately to the overuse of bank credits in the city of New York. It came when the country had the least reason to expect it. Our crops had been abundant and the price of almost every farm product was more than satisfactory. A recent statement made by the Secretary of Agriculture shows that the products of American farms last year exceeded in value any previous year in our history. There had been neither war nor pestilence, the balance of trade was largely in our favor, and there was absolutely no question as to the value of our money. I do not overlook the fact that it has been charged that the trouble was due to the persistent demand of the President of the United States for the enactment of new laws and the enforcement of old laws to regulate and control our railroads; but that charge has been made by men whose minds are heated with resentment, and it will not bear a close analysis. The President has demanded only that the railroads of this country should be required to deal justly with the people, and he has evinced no disposition to harass or to oppress them."

Hon. J. A. M. Adair of Indiana, in discussing this subject in a speech in the House of Representatives on January 23, 1908, said: "This panic came on us at a time of unprecedented prosperity. The products of the farm brought extremely high prices. The agriculturists were more prosperous than they had ever been before. Our great mills and manufacturing establishments were running day and night, with orders six months in advance; labor was universally employed; the banks throughout the country were bursting with deposits; our splendid railroad system was unable to handle the freight offered for transportation. \* \* \* With not a cloud in the sky, we were hurled into the chasm of one of the worst panics our nation ever experienced. The holders of watered stock were panic stricken; depositors were frightened lest they could not get their money. Banks and trust companies closed their doors in the face of their depositors; there was no money to handle the business of the country, and the people looked with suspicion on checks and drafts offered in payment of obligations. The manufacturing industries were unable to procure money to pay labor. Orders placed with our manufacturers were canceled, and this forced the factories to cancel orders for material. \* \* \* I do not believe our present financial crisis is due to our financial system, but to a lack of confidence in our business fabric, brought about by disclosures of dishonesty, corruption and crookedness in many of our great corporations."

M. Paul Leroy-Beaulieu, a distinguished French writer and economist, discussing the American crisis in the *Economiste Francaise*, says: "It is true that lack of currency elasticity may have helped on the troubles, but the principal cause of the crisis now raging in the United States and which has in a less degree touched Germany is the complete disregard of the well established rule of political economy, that capital limits industry. \* \* \* New enterprises had been started or old enterprises enlarged far beyond the sum total of available capital—that is, beyond the amount of capital actually produced by the savings of the whole civilized world. Reserves of capital have fallen short of the requirements of extravagant American demands. The industrial megalomania in the United States took no account of what was possible. It merely devoted itself to pushing up everything. The debauch of extravagance was particularly indulged by the constructing companies and by the great American railways. Con-

tracts were placed for the construction in the single year of 1907 of vast amounts of work, and the companies prepared for such excesses by issues of securities to a simply stupendous amount. The truth of the whole matter is that in this panic the United States is simply paying the penalty for its extravagant expansion at a time when credit conditions were merely nominal."

Mr. Seymour Bell, the British Commercial Agent in the United States, in a letter to the British Government, presented in Parliament and printed by the authority of that body, says:

"During the earlier months (of 1907) all industries were exceedingly busy and mills were working at their utmost capacity. Many unfilled orders had been carried over from the previous year, and buyers were experiencing great difficulty in getting delivery of their goods. The railway lines were congested, wages were at their highest, and the high price of commodities raised the price of living to an extreme point. Money was becoming scarce, and the railways and other corporations were encountering great difficulties in obtaining the capital necessary to carry on the improvements and extensions which were in process of being carried out. Speculation in mining and real estate had been rife and personal extravagance was at its height.

"The situation was peculiar. On the one hand there were the manufacturers with more orders than they could fill and busy enlarging their plants, merchants selling large quantities of goods at satisfactory prices, labor in such demand that even with the addition of the 1,200,000 immigrants it was necessary to employ inefficient workers at good wages. On the other hand, there was dear money, owing to scarcity.

"When, owing to a failure in New York, light was thrown on the management of some of the large financial concerns in the city, public confidence, which had previously been undermined by certain investigations, gave way completely, resulting in an acute money panic.

"The panic was entirely financial. It has, it is true, brought about a widespread suspension of trade and industry throughout the country, but there has been no throwing on the market of merchandise at ruinous prices. The manufacturers without delay proceeded to curtail the supply and thus reduce such chances as there might have been of glutting the market with unsalable articles. It must not be forgotten that the farmers, who form the backbone of American prosperity, have not been affected by the financial situation. A country that produces crops valued at nearly £1,500,000,000 (\$7,300,000,000) is unlikely to suffer long from industrial stagnation. Farmers have had nine years of almost uninterrupted prosperity, their buying power is high, and the towns dependent upon them will remain prosperous.

"The farmers who a few years ago owed money now own money, and have an assured outlet for their products, as there is no oversupply.

"The cloud of uncertainty is now passing away, and the worst of the storm has now passed. \* \* \* It is expected that before many months have passed business will be on a safer and more normal basis."

Hon. C. M. Depew, discussing this subject in the United States Senate, says: "A chain is no stronger than its weakest link, and the weak link in the recent situation was the trust companies, with their enormous deposits and limited reserves. There is no question about their soundness and their possession of a large surplus beyond all their obligations to their stockholders and depositors. Nevertheless, while doing a banking business, they were not equipped for a banking emergency. A run was started on the Knickerbocker Trust Company, whose stock was selling at twelve hundred dollars for a hundred-dollar share. The spectacle of millionaires jostling clerks and bank messengers in the rush to get to the window for their money before the cash was exhausted was illuminating. It showed that in a panic human nature works the same with rich and poor. \* \* \* Then Mr. Cortelyou came to the rescue and deposited available money in the national banks until the balance in the Treasury was down to about five millions. The action of the Government in placing \$240,000,000 with the banks, and this letter of the President, ringing like a clarion note of confidence in every office, workshop, store, farm



house and dwelling of the country, together with the courageous action of the New York bankers and banks in importing gold and helping institutions assailed, stopped the panic and saved the country."

### Secretary Cortelyou on the Banks.

The following are extracts from the response of the Secretary of the Treasury, Hon. George B. Cortelyou, to a resolution of the Senate of the United States calling for information regarding the operation of the Treasury during the panic period:

### Extracts from Report of Secretary Cortelyou on Events of Panic.

In view of the importance of the subject and the wide discussion which has occurred in regard to it, it seems proper to summarize as briefly as possible the operations of the Treasury for the past year, and to follow this by a statement more in detail of the methods and reasons for some of the steps taken during the financial panic of 1907.

In March, 1907, business conditions were becoming unsettled, and there shortly developed a period of acute stringency in the money markets which called for prompt and effective measures. Various relief measures were taken, and while this stringency was quite promptly relieved, significant indications of still further financial disturbance were apparent, and the Department therefore kept in very close touch with the situation in all parts of the country.

It was decided in the latter part of August to make each week substantial deposits of public moneys in national banks, with a view to facilitating the movement of the crops in various sections of the country. The Treasury was at that time in good condition to render substantial aid in this direction. The nominal cash balance on July 31, 1907, was \$238,574,188. Of this amount \$156,990,204 was on deposit in national bank depositories to the credit of the Treasurer of the United States or to the credit of disbursing offices. The net excess of cash above deposits stood, therefore, before this distribution, at about \$81,500,000, affording a considerable margin above the amount required for a convenient working balance.

Beginning on August 28, and continuing each week until October 14, this plan of weekly deposits was followed, a total of about \$28,000,000 being allotted to various banks. These banks were located in each of the 46 States, in the Territories, and in the District of Columbia. Every endeavor was made, from the information and requests at hand, so to distribute this fund that it would meet actual needs in sections where business activity was at the maximum and currency was most urgently required.

About the middle of October events occurred which indicated that a monetary stringency had arisen much more severe than that which experience has shown usually occurs in the autumn in connection with the movement of the crops. Rumors were current concerning many manufacturing establishments and others interested in large projects, who were embarrassed by inability to raise ready cash to continue their operations. In New York City this condition was brought to a head by the appeal of several national banks to the clearing house committee for aid, which was quickly followed by the suspension on October 22 of the Knickerbocker Trust Company, after the payment of about \$8,000,000 in cash to depositors. Almost immediately runs began upon two other large trust companies, deposits were reduced in many other institutions, money began to be hoarded by individuals, and on October 26 the New York banks decided to issue clearing house certificates.

Before the decision of the New York clearing house to issue clearing house certificates, the Treasury transferred to the national banks within a few days the sum of about \$35,000,000. These deposits, with the aid given to those banking institutions which were severely assailed by those which were less disturbed, tended to stay the panic which was otherwise imminent.

In order to meet the demand for currency by the institutions which were subjected to pressure, the Treasury Department forwarded to New York within three days about \$36,000,000 in small bills. While these were not in all cases used in making direct deposits of public moneys, they were available at the sub-treasury for any banking institution which desired to obtain them in exchange for bills of larger denomination or for coin. At a later date, gold coin was paid in many cases, at the request of certain institutions, because they found that payment of coin to depositors tended in a measure to discourage runs. It was not because the coin was preferred to notes; on the contrary, it was because depositors did not desire to be burdened with taking away the coin, and preferred notes of large denominations. It is, indeed, a source of gratification that at no period of the crisis was there the slightest suspicion of the integrity of the currency issued either by the Government or by national banks. The effect of the law of March 14, 1900, in creating an adequate gold reserve and providing necessary measures to replenish the reserve in case of need, so completely set at rest any distrust of the exchangeability of all forms of paper for gold that the subject was hardly mentioned anywhere, except as a cause of congratulation upon the effects of the gold standard act. The transfer of large amounts of gold from the Treasury to the banks made it necessary to run the mints at high pressure in order to comply with the requirements of the Act of March 14, 1900, that not more than \$50,000,000 of the legal gold reserve of \$150,000,000 should be kept in bullion. There was at no time any disposition to convert any form of Government paper into gold because of any question as to safety of the paper, nor was there any disposition to present gold certificates for redemption in gold coin.



While the action of the Department in placing large sums in the national banks in New York was subjected to some criticism, it was amply justified by the conditions as they then existed and as they have been disclosed in the light of subsequent events. Figures given further along will show that the national banks in New York did not retain in their own keeping the public moneys received, but were enabled through their extended relations, as to reserve depositories with banks of all classes throughout the country, to employ these moneys to meet a large proportion of the calls made upon them.

An examination of the deposits made by the Treasury in the banks, from time to time, commencing in the middle of October, will show that as the stringency progressed the Treasury gave relief in every important locality where assistance seemed to be required. Some of the more important deposits were as follows: Chicago, \$3,000,000; Pittsburg, \$1,500,000; Cincinnati, \$1,500,000; Minneapolis and St. Paul, \$500,000; and in many places in the South and West, the public revenues, which ordinarily would be remitted to the various sub-treasuries, and thus taken out of circulation, were allowed to accumulate in national bank depositories.

After the spectacular events in New York, however, which culminated in runs upon three important trust companies, the demand for money became so intense that the banks in the large cities were obliged to issue clearing house certificates to use in place of currency in settling balances among themselves; and in many places outside of New York certificates of small denominations printed in a form for general circulation were largely used. Thus each city endeavored to avoid the shipment of currency, and to retain for its own use such cash as might still be within its control. It appears that in New York City alone clearing house certificates were issued in excess of \$100,000,000.

By the middle of November the Treasury had met the demand for relief to the extent that it had deposited with the banks all accumulated funds not needed for the immediate purposes of meeting Government expenditures, and had reduced the actual working balance to approximately \$5,000,000. To allow the balance to fall below that figure was not considered prudent, as much difficulty was experienced in bringing into the Treasury public moneys actually collected at sub-treasuries and other revenue offices. The public revenues also were falling off, owing in part to the scarcity of currency, which prevented the payment in the form required by law of internal revenue taxes and of duties on imports.

In the meantime, and as apparently no further deposits could safely be made from the diminished cash resources of the Treasury, national banks were notified that they would be permitted to substitute bonds suitable for savings bank investments for Government bonds which were held as security against public deposits. The purpose of this measure was to enable the banks to employ the Government bonds, which were thus released as security for additional banknote circulation, in conformity with law. To this offer the banks responded promptly, and as a result many millions of additional banknotes were taken out and were employed in meeting the currency famine.

As usual in emergencies, the difficulty of obtaining bonds, and other obstructions of detail, prevented the increase in circulation becoming effective to the full amount until some time after the need for it had passed. Just before the acute stage of the crisis, the national banknote circulation stood (on October 15) at \$607,118,742. While strenuous efforts were made, especially by some of the large banks in New York and Chicago, to comply with the expressed wishes of the Department and of the Comptroller of the Currency to increase circulation, the amount outstanding had risen on November 1 only to \$611,822,676, and on November 15 to \$631,344,943. The most important increase in the circulation took place after the announcement, about to be referred to, of the Government issues of Panama bonds and one-year Treasury certificates, so that the circulation attained on December 1 the amount of \$656,218,196; on December 15, \$676,914,235; and finally, on December 31, \$690,130,895. By the latter date the urgent pressure for currency had practically ceased and yet notes continued to be issued in compliance with orders previously received, until the outstanding circulation on June 5, 1908, last, was \$698,511,588.

The fact that the national banks were exerting themselves to increase circulation, and that the Treasury by these new issues placed at their command means of doing so, undoubtedly had a moral effect which tended to check the panic and reduce the premium on currency. The banks were hampered, however, before the announcement of the new Government issues, by the rapid advance in the price of 2 per cent bonds. These bonds sold as high as 110, and even at this price the supply in the market obtainable by national banks was extremely limited in quantity.

It was with a view to relieving this situation, and counteracting the premium on currency, which was itself a stimulus to hoarding and which practically interrupted exchanges between different cities, that it was decided on November 17 to receive applications for subscriptions for \$50,000,000 in Panama Canal bonds, under the Act of June 28, 1902, and \$100,000,000 in 3 per cent certificates of indebtedness, under the Act of June 13, 1898. One of the direct effects of these issues was to afford to the banks the means of increasing their circulation. If the proceeds of these issues had been retained in entirety in the Treasury, the increase in bank circulation would have been offset by the amount paid by the banks for the bonds. By providing, however, for the transfer to the banks of a part of the purchase money as an addition to their holdings of public deposits at the time, a very considerable net increase in circulation became possible.

In order to afford this relief, the banks to which awards were made on Panama bonds were allowed to retain 90 per cent of the purchase price as a deposit, and those to which allotments were made of the one-year certificates were allowed to retain 75 per cent of the purchase price. Thus an inducement was offered for subscriptions to the new issues, as

well as a means of increasing banknote circulation. It was the deliberate intent also that the offer was made more attractive in the case of the bonds than in the case of the certificates, after it became evident that the issue of the entire amount of the latter first proposed would not be required to restore confidence. Ultimately the results of these offers on the part of the Treasury were such that it was found necessary to issue only \$24,631,980 in the Panama bonds and \$15,436,500 in the certificates of indebtedness. Practically all of both classes of obligations, excepting \$91,820 in bonds, were used as the basis for increasing the banknote circulation or securing public deposits.

The Comptroller of the Currency refrained at the height of the panic from calling on the national banks for the report of condition usually required during November, but he issued such a call for reports of condition on December 3. The result of the call revealed what was expected in well-informed quarters—that much of the currency withdrawn from New York had been added to the reserves of interior banks, and that their position was exceptionally strong. The fact that the call had been made and the report submitted contributed another favorable factor to the situation immediately afterwards, by enabling the banks to release a part of this accumulated cash to meet the pressing needs of their clients, with the knowledge that they would probably be able fully to reinstate their reserves before another call was made by the Comptroller.

The announcement of the issues of new securities by the Treasury, accompanied by the publication of a letter by the President to the Secretary of the Treasury, marked in some degree the turning point of the panic. The deficit in the reserves of the New York clearing house banks which on November 16 was \$53,669,950, increased in the next week less than \$500,000, and in the following weeks turned rapidly downward, until the amount on December 28, 1907, was only \$20,170,350, and by January 18 had been converted into a surplus of \$22,635,475. The cash holdings of these banks, which had touched a minimum on November 23, 1907, of \$215,851,100, rose on January 18, 1908, to \$295,182,600. No further steps were considered necessary by the Treasury except to continue deposits of public moneys for a time where they were available, and early in December it became possible to replenish the cash in the Treasury by the withdrawal of about \$6,000,000 from national banks in New York City. The premium on currency did not wholly disappear until about the beginning of the new year, but remained only nominal during the latter part of December as the panic subsided and as the funds withdrawn from banks for hoarding were gradually restored.

So rapidly did the money market improve after the tide had once turned that the call made by the Department upon the banks early in December for the return of \$6,000,000 was followed on January 24 by another call for about \$10,000,000 from New York banks, and this was followed on February 25 by a call for about \$29,000,000, each bank having an available excess of \$50,000 or over being called upon for the payment of 25 per cent of its holdings of public money. Voluntary payments from New York, Philadelphia, Baltimore, and Boston, in the meantime had brought nearly 10 millions back into the Treasury. On April 28, 1908, a call was issued for the payment of approximately \$45,000,000, and this amount was overpaid by several hundred thousand dollars.

In Europe, also, conditions began to improve rapidly with the passing of the crisis in America. The percentage of the reserve at the Bank of England rose from 35.62 per cent on January 2, 1908, to 52.69 per cent on January 16, and the directors felt justified in reducing the official discount rate from 7 per cent to 6 per cent on January 2, and two weeks later (on January 16) to 5 per cent. The gold stock of the bank, which had been reduced on November 7 to £27,725,225, rose on January 2, 1908, to £32,543,666, and on January 16 to £35,791,425. The Imperial Bank of Germany, which had been under severe pressure, benefited by an increase in its cash by about \$20,000,000 in the single week of January 17, and a decrease in its note issue by \$43,875,000, and under these conditions felt justified in reducing its discount rate from  $7\frac{1}{2}$  to  $6\frac{1}{2}$  per cent, and later (on January 25) to 6 per cent. The Bank of France also greatly increased its cash resources and reduced its discount rate early in the year.

The Secretary did not feel called upon at any stage of the crisis to interfere directly with the normal movement of gold between international markets. The movement of foreign exchange was very irregular in the early stages of the crisis, because of some demand for remittances to London in settlement for maturing finance bills and in payment for American securities which were being remitted by disturbed foreign holders to the United States. The sum of \$1,500,000 in gold was actually engaged for export to Germany on October 19, but was explained as being a special transaction.)

After a short period of uncertainty, however, exchange turned strongly in favor of imports of gold into the United States, and by the end of October engagements of over \$24,000,000 were announced, which were eventually swelled during the next two months to more than \$100,000,000. None of this gold arrived until November, but the moral effect of the engagements was felt as soon as they were announced. The metal was distributed, chiefly through the channel of the New York clearing house banks, to threatened points throughout the country. It is a striking proof of the energy with which the banks of New York extended aid to those of other parts of the country that the national bank returns show a reduction in specie in the national banks of New York from \$173,221,007 on August 22, 1907, to \$147,974,918 on December 3, 1907. Thus, not only did the entire volume of gold imported between these two dates pass through New York to other places, except so far as a part was hoarded by individuals, but the New York banks gave up \$25,000,000 of their usual and normal reserves.



**Magnitude of the Crisis.**

The justification for taking vigorous action to arrest panic is found in the remarkable figures of the disappearance of currency during the period of about six weeks from the suspension of the Knickerbocker Trust Company on October 22 until confidence was partially restored early in December. The amount of currency which disappeared from sight during this period, as nearly as can be ascertained from the national bank reports and other sources of information, was about \$296,000,000, as follows:

*Cash absorbed in United States during the panic.*

Reduction in cash in national banks, August 22 to December 3	\$40,838,786
Net imports of gold, November 1 to December 31.....	106,403,770
Increase in public deposits, August 22 to December 3.....	79,834,689
Increase in bank circulation, August 22 to December 3.....	49,856,524
Decrease in cash in State banks and Trust Companies of New York City, August 22 to December 19.....	19,191,700
<b>Total.....</b>	<b>296,125,469</b>

Of this great absorption of currency, amounting substantially to one-tenth of the entire estimated money in circulation in the United States, more than two-thirds of the burden fell upon New York. This was almost inevitable from the fact that New York is the financial distributing center of the country. The figures show that more than the entire net loss in national bank reserves fell upon the national banks of New York City. The national banks outside of New York City, in spite of heavy demands upon them, were able by the aid of New York to maintain an amount of cash actually larger by a small amount on December 3 than they held at the date of the previous report to the Comptroller on August 22, when conditions were relatively tranquil. The national banks of New York City not only met the demand for currency until their reserves were reduced \$54,103,600 below the legal limit, but in addition they imported and distributed \$95,000,000 in gold, and distributed also, in order to meet the demands of their depositors and banking correspondents, all of the money of the Government deposited with them. The result was that of the \$296,000,000 currency absorbed throughout the country, \$218,275,304 was provided by the banks of New York City. The amount thus disposed of by New York banks and trust companies is shown in the following table:

*Currency absorbed through New York banks.*

Reduction in cash in national banks, August 22 to December 3	\$41,692,312
Net imports of gold, November 1 to December 31.....	94,095,481
Increase in public deposits, August 22 to December 3.....	47,576,356
Increase in banknote circulation, August 22 to December 3....	15,719,455
Reduction in cash in State banks and trust companies, August 22 to December 19.....	19,191,700
<b>Total.....</b>	<b>218,275,304</b>

The gravity of the situation was enhanced by the fact that the pressure upon the money market was not localized in the United States. The first engagements of gold were from London and were met by a prompt increase of the Bank of England discount rate from  $4\frac{1}{2}$  to  $5\frac{1}{2}$  per cent on October 31, which was followed on November 4 by an advance to 6 per cent, and on Thursday, November 7, to 7 per cent—the highest rate fixed at the bank since 1873. In Germany, also, severe pressure was felt and the bank rate, after having been first advanced, on October 29, from  $5\frac{1}{2}$  to  $6\frac{1}{2}$  per cent, was further advanced on November 8 to  $7\frac{1}{2}$  per cent—the highest rate charged by the Imperial Bank since its organization in 1873. The Bank of France, in spite of its immense holdings of gold, advanced its rate from  $3\frac{1}{4}$  to 4 per cent for commercial discounts. So serious was the situation in London that aid was invoked from the Bank of France, and prudent American bankers felt it necessary to limit demands for gold upon London for fear that if they became excessive a commercial crisis would occur there which would intensify the danger of the general situation in all international markets. Arrangements for imports of gold into New York were made not only in Europe, but from the Argentine Republic, and Cuba, and the reaction of the American crisis upon Canada led to some importations into that country.

The energy with which the economic resources of the country were devoted to the relief of the situation is indicated by the manner in which exportation of merchandise was expedited by the railways and by dealers in foreign exchange. The figures of the movement of merchandise are among the most striking ever exhibited in the history of the country. They are briefly indicated in the following table:

*Foreign trade movement, August 1 to December 31, 1907.*

Month.	Imports of merchandise.	Exports of merchandise.	Excess of exports.
August .....	\$125,806,043	\$127,270,447	\$1,464,404
September .....	106,365,180	135,318,342	28,953,162
October .....	111,912,621	180,256,035	68,343,464
November .....	110,942,916	204,474,217	93,531,301
<b>December .....</b>	<b>92,288,771</b>	<b>207,179,436</b>	<b>114,890,665</b>



### The Issue of Bonds and Treasury Certificates.

The issue of new securities by the Treasury Department was influenced by the conclusion that it was advisable to take some strong and resolute step which would convince the public, both at home and abroad, that the Government was thoroughly alive to the situation and determined to give its aid in every possible legal and proper form. The most potent weapon at such times in bringing a crisis to an end is often as much one of moral effect as of the definite action taken. It has been the history of many great crises in Europe as well as in this country that the knowledge that adequate resources existed to avoid disaster was often sufficient to obviate the necessity for employing such resources to their utmost limit. An illustration in point is the action of the Chancellor of the Exchequer in Great Britain in the panic of 1866, when the announcement that he had authorized the Bank of England to disregard the bank act and to issue its notes to any necessary limit promptly arrested pressure upon the banks. So prompt was the response of public feeling to this action in suspending the demand for discounts and the withdrawal of deposits that the bank did not find it necessary to avail itself of the authority to issue additional notes. The fear that accommodation could not be obtained by solvent business men was completely allayed and the panic almost immediately subsided.

The fact that the Treasury was in a strong position in respect to its normal cash balance made the situation much more easy of control in some respects than after the panic of 1893, when the cash balance was almost completely exhausted and the reaction of this influence was felt in depleting the gold reserve. At that time the first issue of \$50,000,000 in 5 per cent bonds was not announced until the cash reserve had been depleted below \$50,000,000. And the same depletion took place before the second issue of bonds in the autumn of 1894. In the recent crisis it seemed advisable to the Department, in view of the much sounder condition of general business and of the Treasury than in 1894, to announce a strong measure of relief without waiting for the crisis to become more acute.

It was with this view of the situation that the Secretary of the Treasury, in proposing to the President an announcement of an issue of \$50,000,000 in 2 per cent bonds for the construction of the Panama Canal and \$100,000,000 in 3 per cent Treasury certificates for one year, made the qualification that these amounts should be issued only "if necessary."

While the pressure upon the banks was not allayed at once by this measure, confidence was so far restored that the premium on currency fell immediately, and bids were received in such volume for both classes of issues that it was not considered necessary to allot even half of the total amount of the two issues.

The Panama Canal bonds were issued under authority of the Act of June 28, 1902, as amended by the Act of December 21, 1905, authorizing the Secretary of the Treasury "to borrow on credit of the United States from time to time as the proceeds may be required to defray expenditures authorized by this act (such proceeds when received to be used only for the purpose of meeting such expenditures), the sum of \$130,000,000, or as much thereof as may be necessary."

It would seem to be obvious from this language that it was intended to construct the canal entirely from the proceeds of loans issued for the purpose and not to charge any part of the cost of construction upon the current ordinary receipts of the Government. As the entire proceeds of the bonds which were actually issued under this offer, amounting to \$24,631,980, have been expended on the canal work, it would seem that no question of the legality or propriety of such an issue of bonds could be raised.

The one-year certificates were issued under authority of the Act of June 13, 1898, authorizing such issues when necessary to meet the expenses of the Treasury. The criticism has been made that with a nominal cash balance of some \$200,000,000 in the Treasury the occasion contemplated by the act did not arise and the power therefore did not accrue to the Secretary to make an issue of such securities to meet current expenses. From a strictly legal point of view there is probably no question that the determination of the occasion for making such an issue is within the discretion of the Secretary of the Treasury. Indeed, it is expressly made so by the statutes. From a financial point of view the Secretary felt justified in exercising this discretion with due regard to the amount of cash actually in the Treasury as well as to the amount shown upon the balance sheet, including deposits in national banks. It seemed to him that it would be a strained construction of the Act of 1898, and of his official responsibility, to hold that it was his duty, in order to meet the current needs of the Treasury, to invoke a financial disaster by attempting to withdraw funds on deposit with national banks at a time when they were subject to severe strain in meeting the business requirements of the country, and when any additional act or policy tending to subject them to further pressure might make absolutely impossible, if it were not already so, the return to the Treasury of the funds required for meeting its obligations.

With a balance of only about \$5,000,000 in actual cash in the Treasury, after setting off the necessary amounts against outstanding checks and other similar liabilities, Treasury operations could not be carried on with ease and safety without additional funds. If measures to obtain such funds could be taken in such a manner as to restore confidence to the financial situation as well as to perform the more direct service of keeping the Treasury balance adequate, it seemed to the Secretary that the adoption of a policy calculated to achieve these ends was not only within the strict limits of his legal powers, but was within his duty as responsible in some degree, under our existing fiscal system, for the soundness and security of the monetary situation. While the entire economic resources of the country were being devoted to the relief of the monetary stringency, not only on the part of domestic bankers, but by foreign exchange houses and by the railways in the prompt movement of

freight for export, it seemed inadvisable for the Secretary of the Treasury to take any step which would tend to counteract these efforts by withdrawing funds from the banks and thereby adding to the evils which it was his earnest desire to alleviate and bring to an end.

### Allotment of the New Issue of Securities.

The character of the new issues of securities offered for subscription on the 19th of November last was such that it was anticipated that most of the subscriptions would come from national banks. The 2 per cent bonds afford such privileges to national banks as a basis of note circulation that there are strong inducements to the banks to outbid private investors, who would find in the bonds nothing more than the best form of security paying only 2 per cent per annum. It was expected—and this expectation was fulfilled—that the bonds would be used largely as a basis for additional banknote circulation and that such circulation would contribute its share to relieving the acute pressure for currency which existed throughout the country. Even if there had been no other justification for limiting subscriptions to national banks, this consideration—that the bonds would be used to meet the pressure for currency—would, in the opinion of the Department, have justified an absolute restriction of the awards to national banks.

The legal right of the Department to make allotments of the bonds and securities to such persons and banks and in such amounts as it might see fit can hardly be called in question, in view of the fact that reservations on these points were made when subscriptions were invited. Thus the circular offering the Panama bonds contained this distinct provision: "The Department also reserves the right to reject any or all bids, if deemed to be to the interests of the United States so to do."

Obviously, so far as the offer of securities was influenced by the desire to prevent distress in the money market, it would have failed of this purpose if the awards had been made, even to bona fide bidders, which would have resulted in large drafts upon the reserve money of the banks and would not have aided in drawing money from private hoards. After careful analysis of the bids received the conclusion was reached by the Department that if bids were awarded to individuals in large sums it would have the tendency to cause still further withdrawals of money from the savings banks, which usually carry relatively small reserves in currency, and in case of heavy demands upon them would have been compelled to draw upon the national banks and trust companies. It was, therefore, decided in the case of the Panama bonds to make no awards to individuals in excess of \$10,000. It was also decided to accept the highest bids of national banks for the remainder of the issue, after these minimum allotments to individuals.

There was another consideration, however, which it was felt cast more or less suspicion on offers for the bonds coming from individuals. This was the fact that the low rate of interest paid upon the bonds and their obvious advantage to the national banks made it probable that individual offers would be made for speculative purposes—in other words, for the purpose of selling the right of subscription as promptly as possible to the banks. If there were any doubt of the correctness of this anticipation it was removed by the character and amounts of bids which were received. The total bids for the Panama Canal bonds amounted to \$2,220,604,580, or more than 44 times the amount offered. This fact, not heretofore made public, would have stamped the loan as an even more remarkable success than it was, if all these bids could have been regarded as made in good faith by responsible parties. Examination of the bids shows, however, that many of them were not only speculative in character, but that they were made in many cases for very large amounts by those who were personally irresponsible and incapable of having made even the smallest preliminary payment if such payment had been required. When the awards were made, therefore, the bonds were awarded without hesitation to national banks in those cases where the prices offered were 102½ or higher, and where the bid appeared in other respects to be made in good faith and with full capacity on the part of the bidder to execute his contract. The amount thus awarded to national banks was \$24,998,040.

The awards made to individuals were limited to those cases where the amounts subscribed for were for \$10,000 or less, because such bids had at least a prima facie appearance of good faith. Even upon this modest basis the payments made after the allotment of the bonds showed that a considerable portion of these small bids were speculative and more or less irresponsible. While the national banks to which awards were made actually took up and paid for \$24,478,860, and left unpaid for \$519,180, or only a little more than 2 per cent of the awards, the \$325,660 awarded to individuals were taken up and paid for only to the amount of \$153,120, and \$172,450, or considerably more than half, were not paid for and remain on the hands of the Treasurer. Even of the amount taken up and paid for, only \$91,820 were issued, in conformity with the instructions of the bidders, directly to them. In other cases, to the amount of \$61,300, directions were given to deliver the bonds to national banks, who made the actual payments. Hence, of the small amount awarded to individuals only about 28 per cent proved to be bids to obtain bonds for investment.

There was less margin for speculation in the case of the 3 per cent certificates, because their term of one year did not allow for any considerable premium without extinguishing the amount of the interest. They were issued at par, and this made them immediately available, as it was not necessary to secure bids as in the case of the Panama bonds. They therefore afforded a convenient means to the banks at once to increase their circulation. For this reason the Secretary of the Treasury thought proper to announce at an early date that offers from individuals would no longer be received. While a number of such offers had been received prior to this notice, it was ultimately decided to make no allotments except to national banks. This decision was dictated by two



considerations—first the desire to stimulate the issue of banknote circulation for a period which would relieve the crisis; and, second, the fact that the announcement of the issue of the new securities had already to a large extent accomplished its intended purpose and had made it unnecessary to issue more than a fraction of the full amount. The issue of these securities was suspended therefore before the date first named for closing the receipt of subscriptions, the total amount of the subscriptions having reached \$63,959,500. The amount issued was only \$15,436,500. As all of these were registered and issued to national banks with the understanding that they should be used as a basis for increasing their circulation, or to secure public deposits, they are all on deposit with the Treasurer of the United States for these purposes. The statement of the Comptroller of the Currency, as of December 31, 1907, shows that \$14,944,500 were deposited to secure circulation and \$492,000 temporarily to secure deposits, pending the issue of circulation. The entire amount, \$15,436,500, is now deposited to secure circulation.

One advantage in the issue of the one-year certificates as a basis for circulation is that this circulation may be retired within one year. It is provided by the Act of March 4, 1907, that not more than \$9,000,000 of banknotes shall be retired in any one month, but this restriction does not apply to obligations called for redemption. As the 3 per cent certificates will at maturity, in November next, fall under the latter exemption, the notes based upon them can be retired without restriction as to amount if they are found unnecessary for the purposes of business. Moreover, in those cases where the Secretary has arranged by mutual agreement with the buyers that the certificates may be called and paid off within a less period than one year, it will be possible to contract the circulation, if it appears to be redundant, without even waiting for the expiration of the year from the issue of the certificates and without limitation as to amount.

While the awards of 2 per cent bonds were made primarily to the highest bidders among national banks, the effect of the awards was to distribute the bonds among banks in 40 of the 46 States of the Union. The one-year certificates were distributed less widely, because it was found practicable to limit the issue before the time originally set for ceasing to receive subscriptions. The certificates were taken, however, by institutions in at least 18 States in different parts of the Union.

It was properly pointed out in some quarters, when two issues were proposed, aggregating \$150,000,000, that they might tend to an inflation of the banknote circulation which would be disturbing if the demand for currency should be diminished by the cessation of business activity. It was in consideration of this factor that the Secretary felt justified in restricting the issues in both cases as soon as it appeared that their announcement had produced the desired effect upon public confidence. The issue of the Panama bonds would have been required in any case within a short time to meet the expenses of constructing the canal, and the Secretary of the Treasury can hardly be held responsible for the effect of such issues upon the volume of the banknote circulation, whatever may be his opinion as to the desirability of the inflation which might result. Practically, therefore, the responsibility resting upon him relates only to the \$15,436,500 in the one-year certificates and will terminate with their maturity and redemption on November 30 of the current year. If currency is at that time redundant in amount and there is a tendency to the exportation of gold, the fact that at least this portion of the circulation might be retired by operation of law, unless secured by the deposit of other existing bonds for longer terms, may have a salutary effect upon the exchanges.

### Distribution of Public Moneys.

Obviously when the pressure was focused, to the extent which has been set forth, on the financial center of the country, it seemed advisable to focus relief there also. The national banks of New York City held on August 22 only \$28,253,386 in deposits of public money, aside from certain balances of disbursing officers, or considerably less than 3 per cent of the national banking capital of the city. The United States deposits in national banks in all other places were about \$115,000,000, or more than 12 per cent of the national banking capital of the remainder of the country. It is plain, therefore, under the policy of recalling the public funds which was inaugurated in the spring, that the national banks of New York were not favored with any large proportion of public moneys, but, if any unintentional discrimination was shown, were treated less favorably than the banks of other sections of the country. Not a dollar of the public moneys has been deposited in the national banks of the country upon any other basis than that of the public interest. These funds have been deposited and distributed without regard to partisanship, and no individual or association of individuals, no city or state or section, has received any other than that fair and impartial consideration to which each is entitled.

While the Secretary of the Treasury felt compelled, in order to meet the exigencies of the situation, to increase deposits largely in the banks of New York City, even the proportion left in their custody after the panic had subsided was smaller than the proportion in certain other cities and States. The amount of public deposits December 7, 1907, in the entire country was \$222,352,252, which amounted to 15.3 per cent of national banking capital and surplus, amounting to \$1,451,296,366. While the banks of the State of New York appear as holders of public moneys to the amount of 26.8 per cent of their capital and surplus, the banks of the New England, Eastern, and Middle Western States taken as a whole and including New York, show a percentage of deposits to capital and surplus of only a little more than 15 per cent. The banks of the Southern, Western, and Pacific States, on the other hand, show a proportion of nearly 18 per cent. With the elimination of New York from the Eastern group, the percentage of the remaining Eastern and Middle Western States is only about 11.2.



Full details of this distribution of public funds, show that they are distributed among some 1,400 national banks. The chief object, of course, in distributing public funds is not to afford profit to banks as such, but to afford to the business community means for carrying on its transactions upon a normal basis of money supply and interest charges. It has not been thought necessary by the Department to extend the distribution of public funds to all small banks, but the aim has been to distribute them so widely in every part of the country that the benefit of the funds thus distributed would reach even the most remote quarters through the increased power of making loans and rediscounts given to the stronger banks of the locality.

It has been sought under the present administration of the Department to reduce the geographical distribution of the public funds as far as possible to an equitable basis. While one of the means of doing this has been to correct inequalities in the percentage of such distributions by States, and such corrections are still being made from time to time, it has not been felt that the sole and conclusive test of the wisdom of the distribution was the exact percentage of funds distributed. On the contrary, where particular trade movements were taking place involving a special demand for currency, larger deposits have been made than in communities where the supply of currency and capital appeared to be adequate to meet existing demands. The State of Louisiana, for instance, where the cotton movement of the Southwest is largely financed, held on December 7, deposits equal to 27.4 per cent of its national bank capital and surplus. The State of Texas, on the other hand, which has banking capital equal to about four times that of Louisiana, has received only 5.2 per cent of this amount in public moneys, because the resources of the local banks appeared to be equal to the local character of the expenditures involved in the movement of the cotton crop. It may be added, in the case of Texas and in some other States where the distribution of public funds was small, that the banks showed by the large reserves of cash which they held that they did not need Government assistance. Thus, the percentage of total reserve held against deposits was in Texas 25.72 per cent, and in Arkansas 29.82 per cent.

In the West, Wisconsin, which contains only one large commercial center, received deposits in the ratio of only 9.9 per cent of banking capital and surplus, while Indiana received 17.1 per cent. On the Pacific Coast, California received 22.2 per cent; the State of Washington 29.4 per cent, and Oregon 34.4 per cent. In New England on the other hand, where business is carried on less with borrowed capital than in some other sections of the Union, the average percentage of public deposits for the national banks of the entire section was only 8 per cent, and in Connecticut as low as 3.2 per cent. It would seem, therefore, that in spite of considerable differences in the distribution of public funds, it could hardly be asserted that the figures indicate any justifiable preference for one section of the country over another. If they do indicate such a preference, it is in favor of the West and South as against the Eastern States, where resources in addition to the normal commercial assets of the banks are less needed than elsewhere, except in New York, upon which centers the pressure from nearly the entire country.

The subject of the equitable distribution of these deposits is one to which the Treasury Department has given much attention. Bearing in mind the peculiar needs of different sections and the well-recognized movements of currency, it was intended so to distribute the weekly deposits which were begun in August as to remove the inequalities which might be found to exist in a manner so gradual as to prevent any sudden and violent disturbance to business in any locality. To formulate an intelligent policy and pursue proper methods in dealing with these deposits, a commission was appointed by the Secretary in April, 1907, consisting of the Treasurer of the United States, the Comptroller of the Currency, the Director of the Mint, the Chief of the Division of Loans and Currency, and the Chief of the Division of Public Moneys. Much progress has been made in the equitable distribution of these funds by gradually increasing the deposits where they were most needed, and it was the intention to deposit in several additional weekly installments, some of which had already been prepared, substantial amounts in certain of the larger cities, notably Chicago, St. Louis, Philadelphia, Cincinnati and other points. This policy of gradual distribution was interrupted by the panic of October. It then became necessary to mass funds in large amounts where they would be most effective, and the figures already given show that from the financial centers they were distributed, almost automatically, to the points most seriously threatened.

One of the reasons for making deposits in large amounts in the national banks of New York and other important cities, aside from the great effectiveness of such deposits in financial centers, whence they would find their way to the points where the need was greatest, was the fact that these banks were able more promptly to obtain the bonds required as security. The emergency was too keen to assign deposits to banks which were not in possession of bonds or could not obtain them promptly, either by purchase or by borrowing from large financial institutions not engaged directly in the business of note issue or the payment of demand deposits.

An effort was made also to broaden the basis upon which public deposits might be made by extending the list of bonds acceptable to the Department. Up to about the 1st of October, State, railway, and municipal bonds were accepted at 90 per cent of their market value, when not above par, when such bonds came within the provisions of the laws of the States of New York and Massachusetts governing investments by savings banks. At about this time bonds coming within the provisions of these laws became very scarce. Banks were then informed that bonds would be acceptable which came within the laws of Connecticut and New Jersey, thus making available many millions of bonds which were considered as good security.

The Department has exercised great caution in the acceptance of bonds as securities for deposits, and in nearly all cases where bonds were accepted which were not legal savings-bank bonds they were marketable

at a price equal to, and in some cases in excess of, that of savings-bank bonds. It was deemed wise, however, as they were not classed as savings-bank bonds, to accept them at a lower rate, namely, 75 per cent of their market value. In every case the Department has required an ample margin, and has every confidence in the soundness of the security it has accepted. It may be further stated that many of the bonds accepted by the Department, and this is especially so in the case of Government bonds, are selling above par, which gives additional margin, and in those cases where the market price was above par no bonds have been accepted beyond 90 per cent of their par value.

The net result of the Treasury operations under the present administration of the Department has not been to increase the principal of the public debt, or the interest charges upon it, in spite of the recent issues of securities. On the contrary, the principal of the interest-bearing debt declined from \$920,099,510 on March 1, 1907, to \$897,503,990 on June 1, 1908. Interest charges stand at about \$2,544,000 less than in March, 1907.

The fact that there has been a net decrease in the principal of the debt is due to the redemption and payment of a considerable part of the 4 per cent funded loan of 1907, which by its terms was redeemable at the pleasure of the United States after July 1, 1907. Owing to the demand for money which arose in the spring of 1907, it was deemed advisable to anticipate the maturity of a part of these bonds by offering to pay the principal with interest to an amount not exceeding \$25,000,000. This offer, which was made by a circular issued by the Department March 14, 1907, resulted in redemptions between that date and June 24, of bonds to the amount of \$25,088,750.

In the meantime steps were taken to dispose of the remainder of the loan. Under the circular of April 2, 1907, inviting the surrender of \$50,000,000 in the maturing bonds in exchange for 2 per cent consols of 1930, there were received for refunding between that date and May 31 bonds to the amount of \$50,307,800. These measures left outstanding, subject to redemption, 4 per cent bonds to the amount of \$36,121,450. Most of these bonds were received for redemption and the interest-bearing debt was reduced by about \$36,000,000 during the month of July.

The reduction obtained by the two operations, redemption in advance of maturity and ultimate redemption after maturity, was about \$61,000,000. As the new issues of securities amounted on December 31 to \$24,088,040 in Panama Canal bonds and \$15,436,500 in certificates of indebtedness, making a combined sum of \$39,524,540, this increase of the debt fell about \$21,500,000 short of the reduction previously made.

Even more favorable is the showing in respect to annual interest charges. The redemption of about \$61,000,000 4 per cent bonds extinguished annual interest charges of \$2,440,000. The substitution of 2 per cent bonds for the remaining \$50,000,000 of the 4 per cent loan reduced the interest charges by about \$1,000,000 per annum. The total saving of about \$3,440,000 is offset by the interest on the new securities, which amounts to about \$482,000 upon the Panama bonds and about \$463,000 upon the 3 per cent certificates, making a total additional interest charge of about \$945,000. Offsetting this increase in charges against the reduction caused by the redemption and refunding of the 4 per cent loan there emerges a saving for the current year of nearly \$2,500,000.

As it has been shown that the issue of the Panama Canal bonds was a necessary incident to the construction of the canal and that substantially the only one possible criticism which could lie against the action of the Department was as to the exact date of the issue, it is fair to consider the interest payments upon the \$15,436,500 in one-year certificates as representing the only important obligation incurred by the Treasury Department in seeking to avert a financial disaster. The amount of interest upon these obligations will be about \$462,000 if they run to maturity, or a little more than half of a cent per capita. It seemed to the Secretary that the benefit to the country as a whole, including the inhabitants of its most remote parts, would more than compensate this expenditure. The amount of such interest payments, moreover, is likely to be still further reduced by arrangements which have been made with certain of the banks to surrender their certificates in advance of maturity with interest only to the date of such surrender.

Owing to various other readjustments, including the fact that a considerable sum in the old 4 per cent loan in 1900 had not been presented for redemption or conversion, the estimated annual interest charges on the debt, which was \$23,645,678 on March 1, 1907, stood on June 1, 1908, at \$21,101,197. As the one-year certificates are not likely to be renewed, disbursements of interest on their account will cease within a year, and if no further change occurs in the principal of the interest-bearing debt, the reduction made in the interest charges between March 14, 1907 and November 30, 1908, will be approximately \$3,000,000.

#### **Growth of Money in Circulation—The New Currency Law—The Treasury Department and the Money Panic.**

The net increase in the stock of money during the last four years has been \$587,631,922, consisting of gold, \$302,893,065; silver, \$40,680,905, and national bank notes, \$252,460,952, while there was a decrease of \$8,402,000 in Treasury notes in 1890.

The Treasury holdings of gold on June 30, 1908, amounted to \$1,001,666,550, against \$97,353,776 on January 31, 1895.

The increase in small denominations, \$10 and under, during the last four years has been \$314,337,811, showing that there has been a marked increase in the demand for small bills to meet the requirements of trade and commerce.



There has been much important legislation in currency matters to meet the demands of the business interests of the country, notable among which may be mentioned the following enactments, which were passed upon recommendation of the President in 1900: An increased supply of bills of small denominations; increase of the monthly limit of retirement of national bank notes from \$3,000,000 to \$9,000,000; authorizing the Secretary of the Treasury to receive other than United States bonds as security for public deposits, among which are State and municipal bonds and other securities that are acceptable as savings bank investments; the issue of \$10 gold certificates; amendment to the law of 1900, permitting the issuance of United States notes in denominations less than \$10—ones, twos, and fives.

#### **National Banks and Growth of National Banking since the Beginning of 1900.**

The act of March 14, 1900, entitled "An act to define and fix the standard of value, to maintain the parity of all forms of money issued or coined by the United States, to refund the public debt, and for other purposes," commonly known as the "Gold Standard Act," gave a strong impetus to the organization of national banks, by reason of the fact that authority was granted for the formation of national banking associations with capital of \$25,000, and added to the value of the note issuing franchise by permitting the issue of circulating notes to the par value of the United States bonds deposited as security therefor. From the date of the passage of that act to June 1, 1908, charters were granted to 3,889 associations, with authorized capital of \$228,198,300. By reason of liquidations, voluntary and otherwise, the net increase in number of banks was 3,193. Capital stock increased from \$616,308,095 to \$925,697,775, a net increase of \$309,389,680. Circulation outstanding increased during this period from \$254,402,730 to \$698,449,517, the net increase being \$444,046,787.

On February 13, 1900, the date of reports to the Comptroller of the Currency next previous to that of the passage of the gold standard act, there were in active operation 3,604 banks with aggregate resources of \$4,674,910,710, of which \$2,481,579,942 consisted of loans and discounts and \$476,544,315 of lawful money, that is, gold, silver, and legal tenders. The principal liabilities of the associations were as follows: Capital stock, \$613,084,465; surplus and undivided profits, \$363,872,959; circulation outstanding, \$204,912,544; individual deposits, \$2,481,847,032. On May 14, 1908, the date of the latest reports to the Comptroller of the Currency, the number of national banking associations in operation was 6,778, their loans and discounts \$4,528,346,875, specie and other lawful money \$861,326,450, and aggregate resources \$8,594,622,697. Capital stock paid in amounted to \$912,361,919, surplus and other undivided profits \$758,108,662, circulating notes outstanding \$614,088,723, and individual deposits \$4,312,656,789.

Comparing the condition of the banks on February 13, 1900, and May 14, 1908, there is shown to have been a net increase in number of associations of 3,174; in aggregate resources of \$3,919,711,984; in capital stock \$299,277,454; in surplus and other undivided profits \$394,235,698; in circulating notes \$409,176,177, and in individual deposits \$1,830,809,753. The percentages of increase were as follows: Number of banks, 88.07 per cent; aggregate resources, 83.85 per cent; capital stock, 48.82 per cent; circulation, 199.68 per cent; individual deposits, 73.77 per cent.

Classifying the returns by geographical divisions, the States in each division being shown in the accompanying table relating to the number and capital of national banks organized since March 14, 1900, it is noted that there has been an increase in the aggregate resources of banks in every section of the country. In the New England States the number of banks decreased from 565 to 485 and the capital in the sum of \$35,822,020; but the increase in surplus and undivided profits was \$17,163,010, in circulation \$16,390,368, and in individual deposits \$65,034,438.

The number of national banks in operation in the Eastern States on February 13, 1900, was 976, and on May 14, 1908, 1,495. This increase in number of banks was attended by an increase in capital stock to the extent of \$116,424,214; surplus and undivided



profits, \$187,694,952; circulating notes, \$133,265,042, and individual deposits, \$643,575,617.

In the Southern States the number of banks in operation increased over 150 per cent, or about 545, to 1,369, resulting in an increase in capital stock of \$72,831,910; in surplus and undivided profits, \$53,441,175; in circulating notes, \$76,760,030, and individual deposits of \$229,122,825.

The number of banks in the Middle Western States was nearly doubled, the increase being from 1,053 to 1,931, and an increase in capital stock of \$83,246,950; surplus and undivided profits, \$85,917,020; circulation, \$115,126,149, and in individual deposits, \$529,319,606

The most notable increase in number of banks was in the Western States division, viz, 235 per cent, or about 346 to 1,161 banks. The increase in capital stock in this division was \$32,385,700; in surplus and undivided profits, \$23,875,439; circulating notes, \$33,587,585, and individual deposits, \$194,855,710.

On February 13, 1900, there were in operation in the Pacific States 119 national banks, and on May 14, 1908, including five associations in the insular possessions, there were 336. The increase in capital in this division was \$30,210,700; in surplus and undivided profits, \$26,144,100; in circulation, \$34,047,002, and in individual deposits, \$168,901,555. The capital of the five banks in the insular possessions on May 14, 1908, was \$710,000; surplus and undivided profits, \$158,957; circulating notes outstanding, \$385,747, and individual deposits, \$1,134,176.

The number of national banks classified by capital stock, organized in each State and geographical division since March 14, 1900, together with the number and paid-in capital stock of national banks reporting to this office on May 14, 1908, are shown in the accompanying table:

*Summary, by States, geographical divisions, and classes, of national banks organized March 14, 1900, to May 31, 1908, and the number and capital of reporting national banks on May 14, 1908.*

States, etc.	Capital —\$50,000.		Capital \$50,000+.		Total organizations		Banks reporting on May 14, 1908.	
	No.	Capital.	No.	Capital.	No.	Capital.	No.	Capital.
Maine.....	3	\$75,000	5	\$285,000	8	\$360,000	77	\$9,201,000 00
New Hampshire	4	105,000	2	200,000	6	305,000	57	5,435,000 00
Vermont.....	5	125,000	1	100,000	6	225,000	51	5,710,000 00
Massachusetts.	1	25,000	15	4,000,000	16	4,025,000	198	56,427,500 00
Rhode Island..	-----	-----	1	500,000	1	500,000	22	6,700,250 00
Connecticut....	3	75,000	4	200,000	7	275,000	80	20,230,050 00
<b>Tot. New England States.</b>	<b>16</b>	<b>405,000</b>	<b>28</b>	<b>5,285,000</b>	<b>44</b>	<b>5,690,000</b>	<b>485</b>	<b>103,703,800 00</b>
<b>New York.....</b>	<b>74</b>	<b>1,892,500</b>	<b>74</b>	<b>14,070,000</b>	<b>148</b>	<b>15,962,500</b>	<b>420</b>	<b>158,657,320 00</b>
New Jersey....	48	1,235,000	26	1,885,000	74	3,120,000	173	19,850,070 59
Pennsylvania..	186	4,797,000	200	22,180,000	386	26,977,000	764	112,978,974 00
Delaware.....	8	220,000	-----	-----	8	220,000	26	2,323,985 00
Maryland.....	28	747,000	11	930,000	39	1,677,000	101	17,824,950 00
District of Columbia.....	-----	-----	3	850,000	3	850,000	11	5,202,000 00
<b>Total Eastern States.....</b>	<b>344</b>	<b>8,891,500</b>	<b>314</b>	<b>39,915,000</b>	<b>658</b>	<b>48,806,500</b>	<b>1,495</b>	<b>316,372,299 59</b>
<b>Virginia.....</b>	<b>45</b>	<b>1,206,000</b>	<b>27</b>	<b>2,760,000</b>	<b>72</b>	<b>3,966,000</b>	<b>105</b>	<b>12,601,000 00</b>
West Virginia..	35	960,000	33	2,605,000	68	3,565,000	95	8,019,250 00
North Carolina	22	580,000	22	2,110,000	44	2,690,000	67	6,535,000 00
South Carolina	5	125,000	12	1,485,000	17	1,610,000	29	4,210,000 00
Georgia.....	36	1,020,000	37	3,550,000	73	4,570,000	96	10,409,490 00
Florida.....	10	275,000	19	3,450,000	29	3,725,000	39	4,691,350 00
Alabama.....	35	929,500	31	2,625,000	66	3,554,500	76	8,307,000 00
Mississippi....	3	80,000	18	1,765,000	21	1,845,000	29	3,401,980 00
Louisiana.....	11	280,000	17	3,210,000	28	3,490,000	36	8,695,000 00
Texas.....	284	7,641,000	118	10,550,000	402	18,191,000	529	40,163,000 00
Arkansas.....	15	375,000	21	1,770,000	36	2,145,000	40	3,950,000 00
Kentucky.....	52	1,340,000	26	3,645,000	78	4,985,000	146	16,370,000 00
Tennessee.....	26	675,000	20	1,750,000	46	2,425,000	82	9,545,000 00
<b>Total South- ern States..</b>	<b>579</b>	<b>15,486,800</b>	<b>401</b>	<b>41,275,000</b>	<b>980</b>	<b>56,761,500</b>	<b>1,369</b>	<b>136,899,870 00</b>

## Summary by States, etc., of national banks—Continued.

States, etc.	Capital —\$50,000		Capital \$50,000+.		Total organizations		Banks reporting on May 14, 1908.	
	No.	Capital.	No.	Capital.	No.	Capital.	No.	Capital.
Ohio-----	104	2,768,000	76	11,225,000	180	13,993,000	361	60,349,100 00
Indiana-----	87	2,278,000	57	6,200,000	144	8,478,000	239	24,916,450 00
Illinois-----	146	3,793,500	69	11,335,000	215	15,128,500	407	56,043,500 00
Michigan-----	10	265,000	21	4,390,000	31	4,655,000	97	14,755,000 00
Wisconsin-----	37	950,000	23	2,950,000	60	3,900,000	128	15,740,000 00
Minnesota-----	179	4,571,000	24	3,250,000	203	7,821,000	261	20,666,000 00
Iowa-----	117	3,080,000	50	2,945,000	167	6,025,000	317	20,270,000 00
Missouri-----	43	1,160,000	27	7,485,000	70	8,645,000	119	30,455,000 00
Total Middle Western States-----	723	18,865,500	347	49,780,000	1,070	68,645,500	1,932	43,195,050 00
North Dakota-----	108	2,740,000	7	400,000	115	3,140,000	129	4,610,000 00
South Dakota-----	60	1,510,000	8	400,000	68	1,910,000	87	3,385,000 00
Nebraska-----	95	2,490,000	22	1,375,000	117	3,865,000	207	13,245,000 00
Kansas-----	85	2,185,000	28	2,050,000	113	4,235,000	206	12,142,500 00
Montana-----	14	375,000	7	610,000	21	985,000	39	3,705,000 00
Wyoming-----	10	250,000	10	550,000	20	800,000	30	1,610,000 00
Colorado-----	52	1,376,000	30	2,450,000	82	3,826,000	114	9,465,000 00
New Mexico-----	25	650,000	9	525,000	34	1,175,000	40	1,995,000 00
Oklahoma-----	273	7,000,000	39	2,705,000	312	9,705,000	309	12,212,700 00
Total West- ern States-----	722	18,576,000	160	11,065,000	882	29,641,000	1,161	62,370,200 00
Washington-----	22	555,000	19	1,445,000	41	2,000,000	58	7,482,200 00
Oregon-----	27	676,000	11	650,000	38	1,326,000	60	4,108,700 00
California-----	49	1,250,000	61	10,212,800	110	11,462,800	134	30,532,800 00
Idaho-----	23	580,000	10	600,000	33	1,180,000	37	1,855,000 00
Utah-----	7	180,000	3	275,000	10	455,000	19	2,155,000 00
Nevada-----	1	25,000	7	1,125,000	8	1,150,000	9	1,707,000 00
Arizona-----	5	130,000	4	200,000	9	330,000	12	705,000 00
Alaska-----	-----	-----	1	50,000	1	50,000	2	100,000 00
Total Pacific States-----	134	3,396,000	116	14,557,800	250	17,953,800	331	48,645,700 00
Hawaii-----	2	50,000	2	550,000	4	600,000	4	610,000 00
Porto Rico-----	-----	-----	1	100,000	1	100,000	1	100,000 00
Total Island Possessions-----	2	50,000	3	650,000	5	700,000	5	710,000 00
Total United States-----	2,520	35,670,500	1,369	162,527,800	3,889	228,198,300	6,778	912,361,919 59

## THE CURRENCY LAW.

From the opening of the first session of the Sixtieth Congress it was agreed by all Republicans that an honest attempt should be made to enact into law a Currency bill which should provide for any future emergency and prevent a repetition of a panic such as we had last fall. Early in the session the Republicans reported a bill known as the Vreeland bill and it passed the House by a good majority. During its consideration the Republicans gave the Democrats an opportunity to vote upon the so-called Williams bill, which had had the approval of Mr. Bryan, but the Democrats refused to vote even for their own bill, and persisted in a useless filibuster, but could not prevent the passage of the Republican bill.

In the Senate the so-called Aldrich bill was passed and conference committees were appointed in both houses. It was found, however, that the House would not accept the Aldrich bill, and that the Senate would not accept the Vreeland bill, and it was not until the end of the session that a so-called conference bill was agreed upon by the Conference Committee of both Houses. This bill was introduced into the House on May 27th, and passed by a vote of 166 to 140, the Republicans voting in the affirmative and the Democrats in the negative. The same conference bill was introduced the following day in the Senate and passed



that body on Saturday, May 30th, after a filibuster had been attempted against the bill by the Democrats.

In speaking upon the measure during its consideration in the House Representative Burton, of Ohio, said:

Mr. Speaker, the incompetency of the Democratic party to rule this people was never more emphatically displayed than by their course on this currency legislation. Last autumn there was a frightful panic. The mightiest financial institutions tottered as if they would fall, and wheels of commerce and industry were clogged, hundreds of thousand were thrown out of employment and much of the cause of this distressful condition was the rigidity and insufficiency of our currency system.

The Republicans of this House came here determined, in spite of barren theories, in spite of selfish interests, and against the solid opposition of the Democratic party, to do something for this country, so that such a calamity might not occur again. [Applause on the Republican side.]

If you gentlemen had been in power and had gone home, having done nothing, you might better have called on the rocks and the hills to fall on you because of your inability to take care of this most urgent problem. And yet you fill the air with cries that this measure is prompted only by political emergency, that it is partisan. Gentlemen, if there is any question which should be approached dispassionately, if there is any question wherein we should seek to grasp the real situation and solve it, it is this which relates to the money supply of the country.

But this bill throws open to any national bank of the country the opportunity to become a member of an association of banks, each of which may issue currency upon its resources—that is, upon commercial paper or securities approved by the association.

There must be at least ten banks associated, having a capital and surplus of not less than \$5,000,000. But if any single banking association having public bonds wishes to issue currency under the method embodied in the Aldrich bill, it may do so.

On this side we have had the courage to bring forward a measure for the relief of the country and to meet the fear of panic and distress; on the other side you have fled from your own measure. And now you accuse others because they introduce a bill for the purpose of meeting the existing situation, containing a principle to which even you cannot make objection.

The provisions of the bill agreed upon may not be permanent. We have placed a time limit upon them to satisfy that potent public opinion which believes that we ought to have an entire reorganization of our whole banking system. Some, no doubt, will maintain that these provisions will work so well that no such readjustment will be required. At any rate, we are advocating the passage of a law which has in it no element of danger. No bank note can be issued which will not be good anywhere on the globe. The tax is so high that there can be no danger of any inflation. The redemption fund of 10 per cent substituted for the reserve provision in the House bill is, I believe, an improvement. And with this on the Statute book the ship of commerce may go out into the most stormy sea with the hope that, though tempests may come, she will weather them all, and weather them in safety. [Prolonged applause on the Republican side.]

The bill as it became a law is as follows:

### THE NEW CURRENCY LAW.

#### An Act to Amend the National Banking Laws.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That national banking associations, each having an unimpaired capital and a surplus of not less than twenty per centum, not less than ten in number, having an aggregate capital and surplus of at least five millions of dollars, may form voluntary associations to be designated as national currency associations. The banks uniting to form such association shall, by their president or vice-presidents, acting under authority from the board of directors make and file with the Secretary of the Treasury a certificate setting forth the names of the banks composing the association, the principal place of business of the association, and the name of the association, which name shall be subject to the approval of the Secretary of the Treasury. Upon the filing of such certificate the associated banks therein named shall become a body corporate, and by the name so designated and approved may sue and be sued and exercise the powers of a body corporate for the purposes hereinafter mentioned: *Provided*, That not more than one such national currency association shall be formed in any city: *Provided*, further, That the several members of such national currency association shall be taken, as nearly as conveniently may be, from a territory composed of a State or part of a State, or contiguous parts of one or more States: *And provided* further, That any national bank in such city or territory, having the qualifications herein prescribed for membership in such national currency association, shall, upon its application to and upon the approval of the Secretary of the Treasury, be admitted to membership in a national currency association for that city or territory, and upon such admission shall be deemed and held a part of the body corporate, and as such entitled to all the rights and privileges and subject to all the liabilities of an original member: *And provided* further, That each national currency association shall be composed exclusively of banks not members of any other national currency association.

The dissolution, voluntary or otherwise, of any bank in such association shall not affect the corporate existence of the association unless



there shall then remain less than the minimum number of ten banks: *Provided, however,* That the reduction of the number of said banks below the minimum of ten shall not affect the existence of the corporation with respect to the assertion of all rights in favor of or against such association. The affairs of the association shall be managed by a board consisting of one representative from each bank. By-laws for the government of the association shall be made by the board, subject to the approval of the Secretary of the Treasury. A president, vice-president, secretary, treasurer, and an executive committee of not less than five members, shall be elected to the board. The powers of such board, except in the election of officers and making of by-laws, may be exercised through its executive committee.

The national currency association herein provided for shall have and exercise any and all powers necessary to carry out the purposes of this section, namely, to render available, under the direction and control of the Secretary of the Treasury, as a basis for additional circulation, any securities, including commercial paper, held by a national banking association. For the purpose of obtaining such additional circulation, any bank belonging to any national banking association, having circulating notes outstanding secured by the deposit of bonds of the United States to an amount not less than forty per centum of its capital stock, and which has its capital unimpaired and a surplus of not less than twenty per centum, may deposit with and transfer to the association, in trust for the United States, for the purpose hereinafter provided, such of the securities above mentioned as may be satisfactory to the board of the association. The officers of the association may thereupon, in behalf of such bank, make application to the Comptroller of the Currency for an issue of additional circulating notes to an amount not exceeding seventy-five per centum of the cash value of the securities or commercial paper so deposited. The Comptroller of the Currency shall immediately transmit such application to the Secretary of the Treasury with such recommendation as he thinks proper, and if in the judgment of the Secretary of the Treasury, business conditions in the locality demand additional circulation, and if he be satisfied with the character and value of the securities proposed and that a lien in favor of the United States on the securities so deposited and on the assets of the banks composing the association will be amply sufficient for the protection of the United States, he may direct an issue of additional circulating notes to the association, on behalf of such bank, to an amount in his discretion, not, however, exceeding seventy-five per centum of the cash value of the securities so deposited: *Provided, That* upon the deposit of any of the State, city, town, county, or other municipal bonds, of a character described in section three of this Act, circulating notes may be issued to the extent of not exceeding ninety per centum of the market value of such bonds so deposited: *And provided further,* That no national banking association shall be authorized in any event to issue circulating notes based on commercial paper in excess of thirty per centum of its unimpaired capital and surplus. The term "commercial paper" shall be held to include only notes representing actual commercial transactions, which when accepted by the association shall bear the names of at least two responsible parties and have not exceeding four months to run.

The banks and the assets of all banks belonging to the association shall be jointly and severally liable to the United States for the redemption of such additional circulation; and to secure such liability the lien created by section fifty-two hundred and thirty of the Revised Statutes shall extend to and cover the assets of all banks belonging to the association, and to the securities deposited by the banks with the association pursuant to the provisions of this Act; but as between the several banks composing such association each bank shall be liable only in the proportion that its capital and surplus bears to the aggregate capital and surplus of all such banks. The association may, at any time, require of any of its constituent banks a deposit of additional securities or commercial paper, or an exchange of the securities already on deposit, to secure such additional circulation; and in case of the failure of such bank to make such deposit or exchange the association may, after ten days' notice to the bank, sell the securities and paper already in its hands at public sale, and deposit the proceeds with the Treasurer of the United States as a fund for the redemption of such additional circulation. If such fund be insufficient for that purpose, the association may recover from the bank the amount of the deficiency by suit in the Circuit Court of the United States, and shall have the benefit of the lien hereinbefore provided for in favor of the United States upon the assets of such bank. The association or the Secretary of the Treasury may permit or require the withdrawal of any such securities or commercial paper and the substitution of other securities or commercial paper of equal value therefor.

SEC. 2. That whenever any bank belonging to a national currency association shall fail to preserve or make good its redemption fund in the Treasury of the United States, required by section three of the Act of June twentieth, eighteen hundred and seventy-four, chapter three hundred and forty-three, and the provisions of this Act, the Treasurer of the United States shall notify such national currency association to make good such redemption fund, and upon the failure of such national currency association to make good such fund, the Treasurer of the United States may, in his discretion, apply so much of the redemption fund belonging to the other banks composing such national currency association as may be necessary for that purpose; and such national currency association may, after five days' notice to such bank, proceed to sell at public sale the securities so deposited by such bank with the association pursuant to the provisions of section one of this Act, and deposit the proceeds with the Treasurer of the United States as a fund for the redemption of the additional circulation taken out by such bank under this Act.

SEC. 3. That any national banking association which has circulating notes outstanding, secured by the deposit of United States bonds, to an

amount of not less than forty per centum of its capital stock, and which has a surplus of not less than twenty per centum, may make application to the Comptroller of the Currency for authority to issue additional circulating notes to be secured by the deposit of bonds other than bonds of the United States. The Comptroller of the Currency shall transmit immediately the application, with his recommendation, to the Secretary of the Treasury, who shall, if in his judgment business conditions in the locality demand additional circulation, approve the same, and shall determine the time of issue and fix the amount, within the limitations herein imposed, of the additional circulating notes to be issued. Whenever after receiving notice of such approval any such association shall deposit with the Treasurer or any Assistant Treasurer of the United States such of the bonds described in this section as shall be approved in character and amount by the Treasurer of the United States and the Secretary of the Treasury, it shall be entitled to receive, upon the order of the Comptroller of the Currency, circulating notes in blank, registered and countersigned as approved by law, not exceeding in amount ninety per centum of the market value, but not in excess of the par value of any bonds so deposited, such market value to be ascertained and determined under the direction of the Secretary of the Treasury.

The Treasurer of the United States, with the approval of the Secretary of the Treasury, shall accept as security for the additional circulating notes provided for in this section, bonds or other interest-bearing obligations of any State of the United States, or any legally authorized bonds issued by any city, town, county, or other legally constituted municipality or district in the United States which has been in existence for a period of ten years, and which for a period of ten years previous to such deposit has not defaulted in the payment of any part of either principal or interest of any funded debt authorized to be contracted by it, and whose net funded indebtedness does not exceed ten per centum of the valuation of its taxable property, to be ascertained by the last preceding valuation of property for the assessment of taxes. The Treasurer of the United States, with the approval of the Secretary of the Treasury, shall accept, for the purposes of this section, securities herein enumerated in such proportions as he may from time to time determine, and he may with such approval at any time require the deposit of additional securities, or require any association to change the character of the securities already on deposit.

SEC. 4. That the legal title of all bonds, whether coupon or registered, deposited to secure circulating notes issued in accordance with the terms of section three of this Act, shall be transferred to the Treasurer of the United States in trust for the association depositing them, under regulations to be prescribed by the Secretary of the Treasury. A receipt shall be given to the association by the Treasurer or any Assistant Treasurer of the United States, stating that such bond is held in trust for the association on whose behalf the transfer is made, and as security for the redemption and payment of any circulating notes that have been or may be delivered to such association. No assignment or transfer of any such bond by the Treasurer shall be deemed valid unless countersigned by the Comptroller of the Currency. The provisions of sections fifty-one hundred and sixty-three, fifty-one hundred and sixty-four, fifty-one hundred and sixty-five, fifty-one hundred and sixty-six, and fifty-one hundred and sixty-seven, and sections fifty-two hundred and twenty-four to fifty-two hundred and thirty-four, inclusive, of the Revised Statutes respecting United States bonds deposited to secure circulating notes shall, except as herein modified, be applicable to all bonds deposited under the terms of section three of this Act.

SEC. 5. That the additional circulating notes issued under this Act shall be used, held, and treated in the same way as circulating notes of national banking associations heretofore issued and secured by a deposit of United States bonds, and shall be subject to all the provisions of law affecting such notes except as herein expressly modified: *Provided*, That the total amount of circulating notes outstanding of any national banking association, including notes secured by United States bonds as now provided by law, and notes secured otherwise than by deposit of such bonds, shall not at any time exceed the amount of its unimpaired capital and surplus: *And provided further*, That there shall not be outstanding at any time circulating notes issued under the provisions of this Act to an amount of more than five hundred millions of dollars.

SEC. 6. That whenever and so long as any national banking association has outstanding any of the additional circulating notes authorized to be issued by the provisions of this Act it shall keep on deposit in the Treasury of the United States, in addition to the redemption fund required by section three of the Act of June twentieth, eighteen hundred and seventy-four, an additional sum equal to five per centum of such additional circulation at any time outstanding, such additional five per centum to be treated, held, and used in all respects in the same manner as the original redemption fund provided for by said section three of the Act of June twentieth, eighteen hundred and seventy-four.

SEC. 7. In order that the distribution of notes to be issued under the provisions of this Act shall be made as equitable as practicable between the various sections of the country, the Secretary of the Treasury shall not approve applications from associations in any State in excess of the amount to which such State would be entitled of the additional notes herein authorized on the basis of the proportion which the unimpaired capital and surplus of the national banking associations in such state bears to the total amount of unimpaired capital and surplus of the national banking associations of the United States: *Provided, however*, That in case the applications for associations in any State shall not be equal to the amount which the associations of such State would be entitled to under this method of distribution, the Secretary of the Treasury may, in his discretion, to meet an emergency, assign the amount not thus applied for to any applying association or associations in States in the same section of the country.



SEC. 8. That it shall be the duty of the Secretary of the Treasury to obtain information with reference to the value and character of the securities authorized to be accepted under the provisions of this Act, and he shall from time to time furnish information to national banking associations as to such securities as would be acceptable under the provisions of this Act.

SEC. 9. That section fifty-two hundred and fourteen of the Revised Statutes, as amended, be further amended to read as follows:

"SEC. 5214. National banking associations having on deposit bonds of the United States, bearing interest at the rate of two per centum per annum, including the bonds issued for the construction of the Panama Canal, under the provisions of section eight of 'An Act to provide for the construction of a canal connecting the waters of the Atlantic and Pacific oceans,' approved June twenty-eighth, nineteen hundred and two, to secure its circulating notes, shall pay to the Treasurer of the United States, in the months of January and July, a tax of one-fourth of one per centum each half year upon the average amount of such notes in circulation as are based upon the deposit of such bonds; and such associations having on deposit bonds of the United States bearing interest at a rate higher than two per centum per annum shall pay a tax of one-half of one per centum each half year upon the average amount of its notes in circulation as are based upon the deposit of such bonds. National banking associations having circulating notes secured otherwise than by bonds of the United States shall pay for the first month a tax at the rate of five per centum per annum upon the average amount of such of their notes in circulation as are based upon the deposit of such securities, and afterwards an additional tax of one per centum per annum for each month until a tax of ten per centum per annum is reached, and thereafter such tax of ten per centum per annum, upon the average amount of such notes. Every national banking association having outstanding circulating notes secured by a deposit of other securities than United States bonds shall make monthly returns, under oath of its president or cashier, to the Treasurer of the United States, in such form as the Treasurer may prescribe, of the average monthly amount of its notes so secured in circulation; and it shall be the duty of the Comptroller of the Currency to cause such reports of notes in circulation to be verified by examination of the banks' records. The taxes received on circulating notes secured otherwise than by bonds of the United States shall be paid into the Division of Redemption of the Treasury and credited and added to the reserve fund held for the redemption of United States and other notes."

SEC. 10. That section nine of the Act approved July twelfth, eighteen hundred and eighty-two, as amended by the Act approved March fourth, nineteen hundred and seven, be further amended to read as follows:

"SEC. 9. That any national banking association desiring to withdraw its circulating notes, secured by deposit of United States bonds in the manner provided in section four of the Act approved June twentieth, eighteen hundred and seventy-four, is hereby authorized for that purpose to deposit lawful money with the Treasurer of the United States and, with the consent of the Comptroller of the Currency and the approval of the Secretary of the Treasury, to withdraw a proportionate amount of bonds held as security for its circulating notes in the order of such deposits: *Provided*, That not more than nine millions of dollars of lawful money shall be so deposited during any calendar month for this purpose.

"Any national banking association desiring to withdraw any of its circulating notes, secured by the deposit of securities other than bonds of the United States, may make such withdrawal at any time in like manner and effect by the deposit of lawful money or national bank notes with the Treasurer of the United States, and upon such deposit a proportionate share of the securities so deposited may be withdrawn: *Provided*, That the deposits under this section to retire notes secured by the deposit of securities other than bonds of the United States shall not be covered into the Treasury, as required by section six of an Act entitled 'An Act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes,' approved July fourteenth, eighteen hundred and ninety, but shall be retained in the Treasury for the purpose of redeeming the notes of the bank making such deposit."

SEC. 11. That section fifty-one hundred and seventy-two of the Revised Statutes be, and the same is hereby amended to read as follows:

"SEC. 5172. In order to furnish suitable notes for circulation, the Comptroller of the Currency shall, under the direction of the Secretary of the Treasury, cause plates and dies to be engraved, in the best manner to guard against counterfeiting and fraudulent alterations, and shall have printed therefrom, and numbered, such quantity of circulating notes, in blank, of the denominations of five dollars, ten dollars, twenty dollars, fifty dollars, one hundred dollars, five hundred dollars, one thousand dollars, and ten thousand dollars, as may be required to supply the associations entitled to receive the same. Such notes shall state upon their face that they are secured by United States bonds or other securities, certified by the written or engraved signatures of the Treasurer and Register and by the imprint of the seal of the Treasury. They shall also express upon their face the promise of the association receiving the same to pay on demand, attested by the signature of the president or vice-president and cashier. The Comptroller of the Currency, acting under the direction of the Secretary of the Treasury, shall as soon as practicable, cause to be prepared circulating notes in blank, registered and countersigned, as provided by law, to an amount equal to fifty per centum of the capital stock of each national banking association; such notes to be deposited in the Treasury or in the sub-treasury of the United States nearest the place of business of each association, and to be held for such association, subject to the order of the Comptroller of the Currency, for their delivery as provided by law: *Provided*, That the Comptroller of the Currency may issue national bank notes of the present form until plates can be prepared and circulating notes issued as above



provided: *Provided, however,* That in no event shall bank notes of the present form be issued to any bank as additional circulation provided for by this Act."

SEC. 12. That circulating notes of national banking associations, when presented to the Treasury for redemption, as provided in section three of the Act approved June twentieth, eighteen hundred and seventy-four, shall be redeemed in lawful money of the United States.

SEC. 13. That all acts and orders of the Comptroller of the Currency and the Treasurer of the United States authorized by this Act shall have the approval of the Secretary of the Treasury, who shall have power, also, to make any such rules and regulations and exercise such control over the organization and management of national currency associations as may be necessary to carry out the purposes of this Act.

SEC. 14. That the provisions of section fifty-one hundred and ninety-one of the Revised Statutes, with reference to the reserves of national banking associations, shall not apply to deposits of public moneys by the United States in designated depositories.

SEC. 15. That all national banking associations designated as regular depositories of public money shall pay upon all special and additional deposits made by the Secretary of the Treasury in such depositories, and all such associations designated as temporary depositories of public money, shall pay upon all sums of money deposited in such associations interest at such rate as the Secretary of the Treasury may prescribe, not less, however, than one per centum per annum upon the average monthly amount of such deposits: *Provided, however,* That nothing contained in this Act shall be construed to change or modify the obligation of any association or any of its officers for the safe-keeping of public money: *Provided, further,* That the rate of interest charged upon such deposits shall be equal and uniform throughout the United States.

SEC. 16. That a sum sufficient to carry out the purposes of the preceding sections of this Act is hereby appropriated out of any money in the Treasury not otherwise appropriated.

SEC. 17. That a Commission is hereby created, to be called the "National Monetary Commission," to be composed of nine members of the Senate, to be appointed by the Presiding Officer thereof, and nine members of the House of Representatives, to be appointed by the Speaker thereof; and any vacancy on the Commission shall be filled in the same manner as the original appointment.

SEC. 18. That it shall be the duty of this Commission to inquire into, and report to Congress at the earliest date practicable, what changes are necessary or desirable in the monetary system of the United States or in the laws relating to banking and currency, and for this purpose they are authorized to sit during the sessions or recess of Congress, at such times and places as they may deem desirable, to send for persons and papers, to administer oaths, to summon and compel the attendance of witnesses, and to employ a disbursing officer and such secretaries, experts, stenographers, messengers, and other assistants as shall be necessary to carry out the purposes for which said Commission was created. The Commission shall have the power, through sub-committee or otherwise, to examine witnesses and to make such investigations and examinations, in this or other countries, of the subjects committed to their charge as they shall deem necessary.

SEC. 19. That a sum sufficient to carry out the purposes of sections seventeen and eighteen of this Act, and to pay the necessary expenses of the Commission and its members, is hereby appropriated out of any money in the Treasury not otherwise appropriated. Said appropriation shall be immediately available and shall be paid out on the audit and order of the chairman or acting chairman of said Commission, which order and audit shall be conclusive and binding upon all Departments as to the correctness of the accounts of such Commission.

SEC. 20. That this Act shall expire by limitation on the thirtieth day of June, nineteen hundred and fourteen.

Approved May 30, 1908.

## THE CURRENCY LAW.

### Its Provisions Outlined by an Accepted and Unprejudiced Authority.

[From "Bradstreets," May 30, 1908.]

The bill is, as was to be expected, a compromise measure, in which the conferees have combined as far as possible the features of the Aldrich and Vreeland bills. It empowers national banking associations, each having an unimpaired capital and a surplus of not less than 20 per cent, not less than ten in number, and having an aggregate capital and surplus of not less than \$5,000,000, to form voluntary associations to be designated as National Currency Associations. The banks uniting to form such associations are required through their officers to file with the Secretary of the Treasury certificates setting forth the names of the associations and of the banks composing them and their principal place of business, whereupon the associated banks

named in each certificate are to become a body corporate, entitled to sue and be sued and to exercise the powers of a body corporate for the purpose of the bill. Not more than one association is to be formed in any city; the members thereof are to be taken as nearly as conveniently may be from a territory composed of a state or part of a state or contiguous parts of one or more states, and no member of one national currency association is to be a member of another, but any national bank within the territory of an association having the requisite qualifications is entitled to become a member thereof. The affairs of each association are to be managed by a board consisting of one representative from each bank.

In order to obtain additional circulation, any bank belonging to a national currency association having circulating notes outstanding secured by the deposit of United States bonds to an amount not less than 40 per cent of its capital stock and which has its capital unimpaired and a surplus of not less than 20 per cent, may deposit with and transfer to the association in trust for the United States such securities held by it, including commercial paper, as may be satisfactory to the board of the association, whose officers may thereupon in behalf of such bank apply to the Comptroller of the Currency for an issue of additional circulating notes, not exceeding 75 per cent of the cash value of the securities or commercial paper so deposited. The application is to be immediately transmitted by the Comptroller with such recommendation as he shall think proper to the Secretary of the Treasury, who may direct an issue of additional notes to the association on behalf of the applying bank to an amount in his discretion not exceeding 75 per cent of the cash value of the securities deposited, provided that in his judgment business conditions in the locality demand additional circulation; that he is satisfied with the character and value of the securities proposed, and that a lien in favor of the United States on the securities deposited and on the assets of the banks composing the association will be amply sufficient to protect the government. Upon the deposit of state, county, or municipal bonds, circulating notes may be issued to not exceeding 90 per cent of the market value thereof, but no national bank is to be authorized in any event to issue circulating notes based on commercial paper in excess of 30 per cent of its unimpaired capital and surplus. The term "commercial paper," as used in the bill, is defined to include only notes representing actual commercial transactions, which when accepted by the association shall bear the names of at least two responsible parties and have not exceeding four months to run.

As a means of additional security for the notes issued under the bill, it is provided that the banks and the assets of all banks belonging to the association to whom they are issued shall be jointly and severally liable for the redemption thereof, and the lien created by section 5230 of the Revised Statutes is extended to cover the assets of all banks belonging to the association and the securities deposited by the banks with the association, though as between the several banks composing such association each bank will be liable only in the proportion that its aggregate capital and surplus bear to the aggregate capital and surplus of all such banks. Associations may at any time require from any of their constituent banks a deposit of additional securities or commercial paper or an exchange of securities already on deposit, and in case of the failure of a bank to meet such requirement may, after ten days' notice to the bank, sell the securities and paper already in their hands at public sale and deposit the proceeds with the Treasurer of the United States as a fund for the redemption of the additional circulation, or in case of the insufficiency thereof may recover the amount of the deficiency by suit. In the event of any bank failing to preserve or make good its redemption fund, the national currency association of which it is a member may be notified to do so, and in the event of its failure the Treasurer of the United States is authorized to apply so much of the redemption fund of the other banks composing the association as may be necessary for the purpose.

As already intimated above, bonds other than those of the United States may be accepted as security for additional cir-



ulation. With the approval of the Secretary of the Treasury, the Treasurer of the United States is to accept for that purpose bonds or other interest-bearing obligations of any state of the United States, or any legally authorized bonds issued by any city, town, county or other legally constituted municipality or district in the United States which has been in existence for a period of ten years, and which for a period of ten years previous to the deposit thereof has not defaulted in the payment of any part of either principal or interest of any funded debt authorized to be contracted by it, and whose net founded indebtedness does not exceed 10 per cent of the valuation of its taxable property. The legal title of all bonds deposited is to be transferred to the Treasurer of the United States in trust for the association depositing them.

The notes issued under the bill are to be used, held and treated in the same way as national bank notes heretofore issued and subject to the provisions of law affecting such notes except as modified in the bill. The total amount of outstanding circulating notes of any bank, however, must not exceed the amount of its unimpaired capital and surplus, and the total amount of notes issued under the bill must not at any time exceed \$500,000,000. While any bank has outstanding any of the additional circulation authorized by the bill, it is required to keep on deposit in the Treasury, besides the redemption fund required under the act of June 20, 1874, an additional sum equal to 5 per cent of such additional circulation, to be held and treated in the same manner as provided by that act. To secure an equitable distribution of the notes issued under the bill, it is provided that the Secretary of the Treasury shall not approve applications from any state in excess of the amount to which such state would be entitled on the basis of the proportion borne by the unimpaired capital and surplus of the banks of that state to those of the banks of the whole country, provided where the applications from any state are below its proportion the Secretary of the Treasury, to meet an emergency, may assign the amount not applied for to any applying association in another state in the same section of the country.

The tax on the additional circulation is fixed by the bill for the first month at the rate of 5 per cent per annum upon the average amount of such notes in circulation, with an additional tax of 1 per cent per annum for each month afterward until a tax of 10 per cent per annum is reached, and thereafter a tax of 10 per cent per annum upon the average amount of the notes. These taxes are to be added to the reserve fund held for the redemption of United States and other notes. Provision is made for the appointment of a currency commission, consisting of nine members from each branch of the national legislature, to report what changes are desirable in the monetary system of the United States or in the laws relating to banking and currency, such commission to sit during the sessions or recess of Congress.

#### **A Measure of Panic Insurance.**

[From the Wall Street Journal.]

In the first place, it certainly does provide a measure of protection against the worst effects of such a financial crisis as we had last winter. It provides for the issue of emergency currency up to \$500,000,000 that could be issued quickly by national banks in case any scare developed that led to withdrawal of reserve money into hoarding places. That is something so invaluable to the financial system of the United States that, however defective the mechanism to accomplish this may be and however short it may fall of a thorough-going reorganization of the banking and currency laws of the United States, it must be accepted as a great relief measure. It is panic insurance.

Moreover, in accomplishing this it does so with a frank acknowledgment that the law is a temporary expedient. This acknowledgement is made in the last section of the bill, which provides that the Act shall expire by limitation on June 30, 1914. In the meantime a national monetary commission is provided for, which is to report what changes are necessary in the



laws relating to banking and currency. The purpose is that between now and 1914 a really comprehensive and scientific system of banking shall be enacted.

### Ex-Secretary Shaw on Cause of Panics.

At the meeting of the National Business League of Chicago ex-Secretary Shaw said:

"The American people have been living extravagantly and this practice has become well-nigh universal, and applies as much to the West as to the East. Boldness in business has also been the rule. In the agricultural States men have purchased lands, paying part cash, and have felt perfectly safe with a mortgage representing 50 per cent of the prospective value. City and suburban property has been purchased in the same way. Others have purchased well-known and high-grade stocks and bonds as investments, but have borrowed a part of the purchase price. Timber, coal lands and mining enterprises have been capitalized, and every locality, East, West, North, and South, has aided in their flotation. Commercial, industrial, and electric railway enterprises have been projected, and securities thus created have found a ready market in rural as well as in urban communities. Meantime, everyone has denounced the speculator and none have been more generous of criticism than those most guilty.

"It has been popular for several years to speak disparagingly of American business men, their methods, and the institutions with which they have been connected. With few exceptions, both the secular and the religious press have vied with magazine writers, Chautauqua lecturers, and ambitious politicians in painting in most somber colors everything American, and in gazetting as unworthy of confidence, quite indiscriminately, American business men. A few most shameful disclosures have been held up quite universally as fair illustrations of conditions generally instead of exceptions. Threats of criminal prosecutions of unnamed persons on undefined and indefinite charges have been liberally exploited. Naturally these things have had their influence. Universal business confidence cannot be maintained indefinitely in the face of universal denunciation, and when confidence forsakes us there is nothing left on which to rest our business and industrial superstructure.

"Lest I might be misunderstood, I want to make it clear that in my judgment this country will never outgrow the lift toward civic and business righteousness resulting from the policy of strict enforcement of law which has characterized the administration of President Roosevelt. I am equally certain that it will take us some years to outgrow the evil effects resulting from agitation, reckless legislation, and ill-considered prosecutions by those who have been unable to appreciate the President's purposes."

### MONEY OF THE WORLD.

#### Stocks of Money in the Principal Countries of the World, in 1873, 1896, and 1906.

This table, which shows the quantity of gold, silver, and uncovered paper in each of the principal countries for which figures are available, compares the quantities of these various classes of money in 1906 with that of 1896, the period of the silver agitation in the United States, and with that of 1873, the earliest year for which figures of this character were collected by the Director of the Mint, whose office is authority for all of the figures in this table. It will be noted that the quantity of gold and the total money in the United States have grown much more rapidly than in any other country, and that the growth from 1896 to 1906 has been very strongly marked with a gain far in excess of that of any other country in the list. Attention is also called to the fact that the total stock of gold in the 13 countries named, as shown by the final line of the table, has grown much more rapidly than that of either of the other classes of money named.

In this connection the table showing the world's gold and silver production from 1493 to 1907 will prove interesting. The table in question will be readily found by reference to the index.

By an examination of that table it will be seen that the world's gold production since 1873 has aggregated as much as in the entire period from 1492 to 1873. An analysis of that table discloses the fact that the value of gold produced in the world from 1492 to 1873 was 6,120 million dollars, coining value, and that the production from the beginning of 1873 to the beginning of 1908 was 6,368 millions. Statisticians estimate that the quantity of gold in the world is now double that of 1875, while the quantity produced since 1896 has been over three billion dollars, or one-third as much as that produced in the 400 years prior to 1896.

*Stocks of money in thirteen principal countries of the world in 1873, 1896 and 1906.*

Relative increase in use of gold, silver and paper money illustrated.

Countries.	Stock of Gold.			Stock of Silver.			Uncovered paper.			Total money in countries named.		
	1873.	1896.	1906.	1873.	1896.	1906.	1873.	1896.	1906.	1873.	1896.	1906.
United States-----	\$135,000,000	\$696,300,000	\$1,533,300,000	\$6,150,000	\$364,500,000	\$698,700,000	\$749,445,000	\$307,000,000	\$610,800,000	\$890,595,000	\$1,727,800,000	\$2,902,800,000
Great Britain-----	160,000,000	584,000,000	486,700,000	95,000,000	121,700,000	116,800,000	53,800,000	112,100,000	116,800,000	314,800,000	817,800,000	720,300,000
France-----	450,000,000	772,000,000	926,400,000	500,000,000	443,900,000	411,100,000	383,300,000	119,200,000	269,200,000	1,335,300,000	1,335,100,000	1,606,700,000
Germany-----	160,200,000	654,500,000	1,030,300,000	306,235,000	212,800,000	219,700,000	90,800,000	123,800,000	267,100,000	557,235,000	991,100,000	1,517,100,000
Russia-----	149,100,000	586,900,000	939,400,000	18,600,000	74,200,000	77,900,000	618,400,000	467,200,000	No data.	786,100,000	1,128,300,000	1,017,300,000
Italy-----	20,000,000	96,900,000	215,500,000	23,000,000	45,400,000	31,700,000	87,800,000	161,000,000	150,600,000	130,830,000	303,300,000	317,800,000
Belgium-----	25,000,000	35,000,000	31,100,000	15,000,000	57,000,000	24,700,000	35,100,000	72,500,000	125,800,000	75,100,000	164,500,000	181,600,000
Netherlands-----	12,000,000	21,900,000	45,900,000	37,300,000	56,100,000	52,600,000	19,300,000	37,900,000	57,800,000	61,600,000	115,900,000	152,300,000
Austria-Hungary-----	35,000,000	178,500,000	306,400,000	40,000,000	63,700,000	105,300,000	265,800,000	177,600,000	119,300,000	340,800,000	419,800,000	531,000,000
Australasia-----	50,000,000	132,100,000	125,000,000	3,000,000	7,000,000	10,000,000	-----	22,500,000	No data.	253,000,000	161,600,000	135,000,000
Denmark-----	4,100,000	15,400,000	22,600,000	7,500,000	5,400,000	6,100,000	6,500,000	6,400,000	10,700,000	18,100,000	27,200,000	39,400,000
Sweden-----	1,800,000	10,600,000	22,600,000	4,300,000	4,900,000	7,700,000	6,000,000	19,000,000	34,800,000	12,100,000	34,500,000	65,100,000
Norway-----	7,600,000	7,500,000	8,300,000	1,600,000	2,000,000	3,100,000	2,300,000	3,800,000	7,000,000	11,500,000	13,300,000	18,400,000
Total-----	1,202,800,000	2,791,600,000	5,733,500,000	1,057,685,000	1,723,600,000	1,765,400,000	2,322,545,000	1,720,000,000	1,769,900,000	4,590,030,000	7,240,200,000	9,283,800,000

a Exclusive of uncovered paper, for which no data is available.

## PROSPERITY.

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The periods of protection in the United States have been the periods of prosperity. The periods of prosperity have been those of protection. In the first half of the little more than a century of our existence under the Constitution protection and low tariff alternated at comparatively frequent intervals. In the second half protection has been the rule, low tariff the exception. In the 48 years from 1860 to 1908 there have been 45 years of protection and 45 years of prosperity, 3 years of low tariff and 3 years of adversity. To be sure, there were during the long period of protection certain financial disturbances, due to incidents and causes which had no relation to, and were not affected by, the system of raising of revenues, but these were exceptions which proved the rule of general prosperity as an accompaniment of protection.

Measuring from 1812, the date of the first protective tariff, to 1861, the beginning of what may be termed the permanent period of protection, there were many experiments with free trade and protection. "During that long period," said the late James G. Blaine, in his celebrated reply to William E. Gladstone published in the *North American Review* in January, 1890, "free trade tariffs were thrice followed by industrial stagnation, by financial embarrassments, by distress among all classes dependent for subsistence upon their own labor. Thrice were these burdens removed by the enactment of a protective tariff. Thrice the protective tariff promptly led to industrial activity, to financial ease, to prosperity among the people; and this happy condition lasted in each case until illegitimate, prolific combinations precipitated another era of free trade. \* \* \* As an offset to the charge that free trade tariffs have always ended in panics and long periods of financial distress, the advocates of free trade point to the fact that a financial panic of great severity fell upon the country in 1873 when the protective tariff of 1861 was in full force. The panic of 1873 was widely different in its true origin from those which I have been exposing. The Civil War had sacrificed on both sides a vast amount of property, a half million men had been killed, and a million more disabled; the public debt that must be funded reached nearly 3,000 millions of dollars; \* \* \* two great calamities in the years immediately preceding had caused the expenditure of more than two hundred millions of dollars suddenly withdrawn from the ordinary channels of commerce; the rapid and extensive rebuilding in Chicago and Boston after the destructive fires of 1871 and 1872 had a closer connection with the panic of 1873 than is commonly thought. Still further, the six years of depression from 1873 to 1879 involved individual suffering rather than general distress. The country as a whole never advanced in wealth more rapidly than during that period. \* \* \* The business distress was relieved and prosperity restored under protection, whereas the ruinous effects of panic under free trade have never been restored except under protection."

This masterly analysis by Mr. Blaine of the relation of protective tariffs to prosperity and of great financial depressions in their relation to low tariffs has been fully justified by the events since it was written. The long period of depression which followed the return to low tariff immediately succeeding Mr. Blaine's defeat for the presidency continued during that entire period of low tariff and until relief was obtained by a return to protection. Following the reestablishment of protection in 1897 came an immediate restoration of prosperity, which continued steadily until the great disturbances in world finances resulting from the Boer and Russo-Japanese wars, and the local disturbances resulting from the great losses consequent upon the Baltimore and San Francisco disasters, which paralleled the Chicago and Boston disasters of 1871 and 1872, referred to by



Mr. Blaine as closely connected with the panic of 1873, and fully justifying his statement that financial depressions under protection are due to momentary causes and are but temporary in duration.

That the panic of 1907 was due to the great causes above referred to and to the lack of sufficient currency to finance the great undertakings consequent upon the tremendous prosperity which had come to the country under the decade of protection is now generally conceded, as will be seen from the quotations which follow from distinguished writers upon, and students of this subject. That it was merely a financial panic, temporary in its existence and not a great industrial depression reducing employment, wages, and prices of the products of labor, such as that accompanying the Wilson low tariff, will be equally apparent by a comparison of conditions in the summer of 1908, ten months after the panic of 1907, with those of the summer of 1896, after three years of low tariff and accompanying industrial, as well as financial depression. The public soup houses, the Coxey armies, the thousands compelled to sacrifice self respect and ask and accept charity and the millions unsuccessfully seeking employment, which characterized the industrial panic accompanying the low tariff period, 1894-7, contrast strongly with conditions to-day.

#### **Business Improvements in 1908.**

That business conditions have already greatly improved and that the financial disturbance of eight months ago is not to result in general business depression is now generally conceded.

The New York Journal of Commerce (Democratic) of June 1, 1908, announced the resumption of work on full time in large numbers of the New England cotton and woolen mills. The same issue reports from Paducah, Ky., the big hosiery mills of that city running day and night in the hope of catching up with orders.

The Philadelphia Ledger of June 2d reports the Coplin Cement Manufacturing Company as working day and night with its entire force, while large numbers of other industries were reported as increasing their force of employees and working on full time.

Dispatches from St. Louis published on June 1st, state that 17,000 names were on June 1st added to pay rolls in St. Louis and vicinity, and that \$5,000,000 worth of goods had been sent from the St. Louis houses to manufacturers within a fortnight. The New York Evening Post (Democratic) of May 23d, commenting upon the improvement, says: "It is only fair to remember that the country has to-day in its sound currency and prosperous interior two factors making for recovery which did not exist in 1874;" and on June 1st publishes dispatches from many places, especially the New England cotton and woolen mills, announcing a return to full time.

The Washington Post (Democratic) of June 2d says: "June begins the real summer season with many signs of returning prosperity. Plentifulness of money and its cheapness have encouraged promoters of industrial enterprises and railroad builders to renew their plans of expansion. Some of the best informed railroad men foresee business that will tax the capacity of their equipment. Merchants are beginning to order for a busy fall trade. The country is all right."

R. G. Dun & Co. say in their Review that their figures of commercial failures for the month of May, 1908, present the most encouraging monthly statement as to the amount of defaulted indebtedness since July of last year and its total of 13½ millions compares favorably with 20 1/3 millions in the best preceding month of this year. The New York Herald of June 1st says: "All the factors of production are with us in full blast, and with easy money and good crop prospects, to which the element of confidence is now added by the enactment of the currency law, the outlook is bright indeed for the highest measure of prosperity."

The New York Journal (Democratic) of June 2d says: "The country is waking up. Mills and factories that have been closed for months are again humming and whirring with action. Trade

is improving. New York merchants are reinstating employees that they were forced to dispense with last fall because of the flurry in Wall street. In Chicago commercial men are preparing for a prosperous season. In the great manufacturing centers of the East fears have fled from owners of plants and many chimneys that had long grown cold are now sending up their former volumes of smoke. There is money in the banks and the specter of distress is dimmer."

The New York Herald of July 26, says: From all over the land come the good tidings that an unmistakable and abundant wave of prosperity is sweeping along. To the Herald come dispatches from the great centers which prove beyond doubt that "good times" are here—and here apparently, to stay. Mills are running full blast, crops are bumper everywhere, the railroads are taking on men, and the entire nation, with one accord, gives vent to the expression that prosperous seasons are at hand. In the uplift of general industry from depression, following upon satisfactory harvests, no one can overlook the tremendous force of abundant and cheap money. While the vast accumulations in the banks of the country are in themselves the evidences and results of lessened activities of commercial life, the great accumulations of surplus funds gathered in the financial reservoirs provide the quickening of industry when the proper period for recuperation has run its course.

How vast a sum of reserve money has accumulated in the country in recent months can only be approximated. But in the national banks alone, under the call of the Comptroller of the Currency for their condition on May 14, there was no less than \$861,326,450 of specie and legal tenders or reserve money. Of this sum \$318,000,000 was in the vaults of national banks in New York City. The Comptroller of the Currency has just issued a call for the condition of the national banks as of July 15. The figures on this are not yet available, but the general impression is that, despite gold exports during the interval, the showing "legal reserve money" will have been augmented.

The total gold circulation in the United States, according to recent estimates, amounted to the huge total sum of \$1,445,000,000, of which 36 per cent was held in the national banks of the United States and nearly 16 per cent in the banks of New York City, which is the central reservoir of the financial system. As already stated on May 14, the national banks of the country held \$861,326,450, which was an increase of \$73,000,000, as compared with the preceding call by the Comptroller of the Currency, that of February 14, and no less than \$171,000,000 more than was held by the banks of the national association a year ago in May.

#### **National Bank Conditions, May 14, 1908.**

The latest report of the Comptroller of the Currency on the operations of the National banks of the country shows that their condition had nearly returned to that of the corresponding date in 1907, a period of high tide of prosperity, and was in marked contrast with conditions in March, 1897, the month of the inauguration of William McKinley, and the approximate end of the Wilson low tariff period. The capital stock paid in of the National banks of the country on May 14, 1908, was 912 million dollars; on May 20, 1907, one year earlier, 884 millions, and on March 9, 1897, was but 642 million dollars, showing an improved condition as to capital stock when compared with that of one year ago, and an increase of nearly 50 per cent when compared that of the corresponding date of 1897. The surplus fund on May 14, 1908, was 555 million dollars, against 535 millions on May 20, 1907, and but 247 millions on March 9, 1897. The undivided profits, less expenses and taxes paid, were on May 14, 1908, 203 million dollars, against 186 millions May 20, 1907, and but 86½ millions on March 9, 1897. The individual deposits on May 14, 1908, were 4,313 million dollars, against 4,323 millions on May 20, 1907, and but 1,669 millions on March 9, 1897, the individual deposits on May 14, 1908, being thus practically as much as one year ago, and over 2½ times as much as in 1897. The loans and discounts, which are a measure of industrial activity,

were on May 14, 1908, 4,528 million dollars, against 4,631 millions on May 20, 1907, and but 1,886 millions on March 9, 1897, being thus but little below the conditions of that high water mark of prosperity one year ago, and more than  $2\frac{1}{2}$  times as much as in March, 1897.

#### Money in Circulation, July 1, 1908.

The money in circulation in the United States on July 1, 1908, was \$3,045,257,289, against \$2,772,956,455 on July 1, 1907, the year of high-water mark of prosperity, against \$1,506,434,966 in 1896, the year of low-water mark of Democratic adversity, and the year in which William Jennings Bryan was telling us that prosperity and sufficient money to produce prosperity could only be had by the free and unlimited coinage of silver. The per capita circulation July 1, 1908, was \$34.81, against \$32.22 on July 1, 1907, and \$21.41 on July 1, 1897, the per capita of money in circulation on July 1, 1908, being thus 8 per cent more than in 1907 and 60 per cent more than in July, 1896, the low-record year of the Wilson tariff period. One interesting feature of this tremendous increase in the amount of money in circulation in the United States in 1908 as compared with 1896, when we were told that increased currency could only be obtained by the free and unlimited coinage of silver, is the fact that the gold and gold certificates in circulation (the latter being, of course, the equivalent of gold, since they represent gold deposited in the Treasury) aggregated on July 1, 1908, \$1,403,017,937, against but \$497,103,183 on July 1, 1896, or nearly three times as much gold in circulation in 1908 as in 1896.

#### Prices of Farm Products, 1908.

Another evidence that the financial disturbance of 1907 has not seriously affected the masses or their purchasing power and has not brought to the great agricultural population the terrible depression which characterized the low tariff period is found in a comparison of prices of farm and other products prevailing in the markets to-day with those of 1896. A little table below compares prices of a few representative articles in the first week of June, 1908, with those ruling in the first week of June, 1896. It will be seen that the price of wheat in New York, which in the first week of June, 1896, was  $69\frac{3}{4}$  cents per bushel, was \$1 per bushel in June, 1908; corn advanced from  $33\frac{3}{4}$  cents per bushel in June, 1896, to 78 cents per bushel in June, 1908; oats, from  $22\frac{3}{4}$  cents per bushel in June, 1896, to  $53\frac{1}{2}$  cents per bushel in 1908; lard, from 4.4 cents per pound to  $8\frac{1}{2}$  cents; mess pork, from \$8 per barrel to \$14.50; wool, Ohio XX, from 17 cents per pound to 30 cents; and cotton, from  $7\frac{3}{4}$  cents per pound in June, 1896, to 11.4 cents per pound in June, 1908.

#### Wholesale prices at New York of representative articles of farm production, 1896 and 1908.

Articles.	First week in June—	
	1896.	1908.
	Dollars.	Dollars.
Wheat, -----per bushel..	0.69 $\frac{3}{4}$	1.00
Corn -----per bushel..	.33 $\frac{3}{4}$	.78
Oats -----per bushel..	.22 $\frac{3}{4}$	.53 $\frac{1}{2}$
Lard -----per pound..	.044	.085
Mess pork -----per barrel..	8.00	*14.50
Wool, Ohio XX -----per pound..	.17	*.30
Cotton -----per pound..	.07 $\frac{3}{4}$	.114

\*Price at Boston.

#### Evidences of Industrial Activity.

One further evidence of the slight effect upon our industries of the financial panic of 1907 when compared with the industrial panic of 1894, 1895 and 1896, which followed the enactment of the Wilson law, is found by a comparison of the imports of manufacturers' raw materials at the present time with those



of the low tariff period, and also by a comparison of the manufactures exported at the present time with those of the low tariff period. The imports of raw material for use in manufacturing in the seven months from October, 1907, to and including April, 1908, the full period of the financial panic, exceeded in value those of *any full year of the operation of the Wilson low tariff act*, whose framers prided themselves on the fact that their tariff law offered free raw materials to the manufacturers of the United States. The importation of raw material during the entire period of the Wilson law *averaged 16 million dollars per month*; during the seven months' depression under the Dingley law, from October, 1, 1907, to May 1, 1908, the importation of raw material for use in manufacturing *averaged 29 million dollars per month*. The exports of manufactures during the three years' operation of the Wilson tariff law aggregated 774 million dollars, or an average of  $21\frac{1}{2}$  million dollars per month. The exports of manufactures from July 1, 1907, to May 1, 1908, including the full period of the depression under the Dingley law, aggregated 637 million dollars, or an average of 63.7 millions per month. Thus the monthly average of exportations of manufactures during the ten months ending with April, 1908, has been three times as much in value as the monthly average during the entire period of the Wilson law. It may safely be asserted that *the value of manufactures exported in the fiscal year 1908 will be as great as that for the entire three years under the Wilson law*, this estimate for 1908 being based upon the 11 months' figures already received by the Bureau of Statistics.

#### All Late Returns Favorable.

Necessarily the opportunities for a statistical comparison of 1908 conditions with those of earlier years are few, since statistical statements in most cases apply to full years, either fiscal or calendar, and none of these at the present moment are available for the year 1908. In all of the monthly or briefer periodic statements available the latest figures for 1908 have been presented, and the instantaneous picture of conditions which they present is, as seen by the above, extremely favorable. It is possible, however, to compare conditions at the close of 1907 (in some cases the calendar, and in other cases the fiscal year) with those of earlier dates and especially to compare conditions of 1907, after a decade of Dingley operation, with those of 1897, after three years' experience with low tariff and four years' experience with Democratic rule. The statements and tables which follow compare conditions in 1907 with those of 1897, the year of McKinley's inauguration and the enactment of the Dingley law, also in other cases with those of 1906, the last full year of Democratic and low tariff rule.

#### COMPARISON OF CONDITIONS IN 1907 WITH THOSE OF 1897.

##### Financial, Commercial and Industrial Conditions in the United States in 1897 and at Latest Available Date.

Value of all farm products, estimated by the Department of Agriculture: in 1897, 4,250 million dollars; in 1907, 7,500 millions.

Value of farm animals: on January 1, 1897, \$1,655,415,000; on January 1, 1908, \$4,331,230,000.

Value of horses: 1897, \$452,650,000; in 1908, \$1,867,530,000.

Value of mules: 1897, \$92,302,000; in 1908, \$416,939,000.

Value of cattle: 1897, \$877,169,414; in 1908, \$1,495,995,000.

Value of sheep: 1897, \$67,021,000; in 1908, \$211,736,000.

Value of swine: 1897, \$166,273,000; in 1908, \$339,030,000.

Farm value of sheep per head: 1897, \$2.46; in 1907, \$3.88.

Value of wool product: 1897, 30 million dollars; in 1907, 73 millions.

Farm value of crops: 1897, 501 million dollars; in 1907, 37 millions.

Farm value of wheat crop: 1897, 428 million dollars; in 1907, 1 millions.

Hay crop of the United States: 1897, 401 million dollars; in 1907, 744 millions.

Potato crop of the United States: 1897, 90 million dollars; in 1907, 184 millions.

Beet sugar product of the United States: 1897, 84 million pounds; in 1907, 967 millions, or eleven times as much in 1907 as in 1897, and the beet sugar production in 1907 was twice as great as that of the cane sugar production of the United States for the same year.

Farm value of corn per bushel: in 1897, 26.3 cents; in 1907, 51.6 cents.

Farm value of wheat per bushel: in 1897, 80.8 cents; in 1907, 87.4 cents.

Value of cotton crop: 1897, 288 million dollars; in 1907, 683 millions. (Estimate of New Orleans Cotton Exchange.)

Price of middling cotton per pound in the New York market: 1897, 7 cents; in 1907, 12.1 cents.

Price of medium Ohio fleece wool per pound: January, 1897, 21 cents; January, 1907, 39 cents.

Average price of corn in the New York market: in January, 1897, 32 cents per pound; in January, 1907, 64 cents per pound.

Pig iron production in 1897, 9,652,000 tons; in 1907, 25,781,000 tons.

Coal production: 1897, 178,776,000 tons; in 1907, 429 million tons.

Tin plates manufactured: 1897, 574,779,000 pounds; in 1906, 1,294,000,000 pounds.

American cotton manufactured by American mills: in 1897, 2,792,000 bales; in 1907, 5,005,000 bales.

Cotton imported for use in manufacturing in 1897, 51,899,000 pounds; in 1907, 104,792,000 pounds.

Wool imported for use in manufacturing: in 1897, 350,852,000 pounds; in 1907, 203,848,000 pounds, showing the contrast under protection and free trade.

Raw silk imported for use in manufacturing: in 1897, 7,993,000 pounds; in 1907, 18,744,000 pounds.

Crude rubber imported for use in manufacturing: in 1897, 35,574,000 pounds; in 1907, 76,964,000 pounds.

Pig tin imported for use in manufacturing tin plates: in 1897, 6½ million dollars; in 1907, 38 million dollars.

Value of all mineral products: in 1897, \$647,000,000; in 1906, \$1,903,000,000.

Total domestic exports: in 1897, 1,032 million dollars; in 1907, 1,854 millions.

Exports of manufactures: 1897, 311 million dollars; in 1907, 740 millions.

Share which manufactures form of the exports: 1897, 30 per cent; 1907, 40 per cent.

Imports: 1897, \$764,730,000; in 1907, \$1,434,421,000.

Imports of raw material for use in manufacturing: 1897, \$196,159,000; in 1907, \$477,027,000.

Imports free of duty: 1897, 382 million dollars; in 1907, 644 millions.

Imports dutiable: 1897, 383 million dollars; in 1907, 790 millions.

Excess of exports over imports: 1897, \$286,263,144; in 1907, \$446,429,653, and the excess of exports over imports since the Dingley Act went into effect, over 5½ billion dollars.

Money in circulation: July 1, 1897, 1,640 million dollars; June 1, 1908, 3,036 millions.

Gold and gold certificates in circulation: July 1, 1897, 555 million dollars; June 1, 1908, 1,402 million dollars.

Per capita money in circulation: July 1, 1897, \$22.87; June 1, 1908, \$34.75.

Interest on public debt: July 1, 1897, \$34,387,000; June 1, 1908, \$21,258,000.

Per capita interest charged: July 1, 1897, 48 cents; June 1, 1908, 24 cents.

Number of national banks in operation in United States: October 5, 1897, 3,610; February 14, 1908, 6,698.

Capital stock of national banks in operation: October 5, 1897, \$631,500,000; February 14, 1908, \$905,550,000.

Loans and discounts of national banks: October 5, 1897, 2,067 million dollars; February 14, 1908, 4,422 million dollars.

Deposits in all banks in the United States: 1897, 5,095 million dollars; 1907, 13,100 millions.

Deposits in savings banks: 1897, 1,983 million dollars; 1907, 3,495 millions.

Number of depositors in savings banks: 1897, 5,201,132; 1907, 8,588,811.

Bank clearings in the United States: 1897, 54 billion dollars; 1907, 155 billions.

Wealth. (There are no figures for 1897 or 1907.) Census estimate for 1900 is 88,517 million dollars, and for 1904, 107,104 millions.

Industrial insurance in force: 1897, 996 million dollars; in 1906, 2,454 millions.

Students in colleges, universities, and schools of technology: in 1897, 86,000; in 1906, 129,000.

Telegraph messages sent: 1897, 71,780,000; in 1907, 98,480,000.

Railways in operation in the United States: 1897, 184,591 miles; 1907, 228,509 miles, an increase of 43,918 miles.

Passengers carried: 1897, 504 millions; 1906, 815 millions.

Tons of freight carried: 1897, 788 millions; 1906, 1,610 millions.

Railways placed under receivership: 1897, 1,537 miles; 1907, 317 miles.

Railways sold under foreclosure: 1897, 6,675 miles; 1907, 114 miles.

Electric railways in the United States: 1897, 13,765 miles; 1906, 36,212 miles.

Average freight rates on wheat from St. Louis to Liverpool: 1897, 20.33 cents per bushel; in 1907, 15.87 cents per bushel.

Tonnage of vessels owned on the ocean, frontage, lakes and western rivers of the United States: 1897, 4,769,000 tons; 1907, 6,939 tons.

Vessels built in the United States: 1897, 232,233 tons; 1907, 471,332 tons.

Tonnage of vessels from foreign countries entering the ports of the United States: 1897, 23,760,000 tons; 1907, 36,622,000 tons.

Tonnage of vessels passing through the Sault Ste. Marie Canal: 1897, 17,620,000 tons; 1907, 44,088,000 tons.

Telephone subscribers: 1897, 325,000; January 1, 1908, 3,035,000.

Number of railway employees: 1897, 823,476; 1906, 1,521,355.

Wages paid by railways: 1897, 466 million dollars; 1906, 901 millions.

Expenditures for public schools in the United States: 1897, \$187,682,000; 1906, \$307,766,000.

Immigrants arrived: 1897, 230,832; 1907, 1,285,349.

Original homestead entries in the United States: 1897, 4,452,000 acres; 1907, 14,755,000 acres.

Public lands sold for cash: 1897, 7,754,000 acres; 1907, 20,867,000 acres.

**The present phenomenal prosperity has been won under a tariff which was made to protect the interests of the American producer, business man, wage-worker, and farmer alike.—President Roosevelt at Minneapolis, April 4, 1903.**

**The Rate law does not go far enough. The practice under it has already disclosed the necessity for new amendments and will doubtless suggest more. Such is the true method—the empirical and tentative method—of securing proper remedies for a new evil.—Hon. Wm. H. Taft, at Columbus, Ohio.**

**The hum of industry has drowned the voice of calamity and the voice of despair is no longer heard in the United States, and the orators without occupation here are now looking to the Philippines for comfort. As we opposed them when they were standing against industrial progress at home, we oppose them now as they are standing against national duty in our island possession in the Pacific.—President McKinley.**

**One vital, dominating fact confronts the Democratic party which no oratory, which no eloquence, which no rhetoric can obscure: BRYAN'S NOMINATION MEANS TAFT'S ELECTION.—New York World.**



## Money in Circulation in the United States, 1880 to 1908.

This table shows the amount of money in circulation in the United States and the various classes thereof at decennial periods from 1800 to 1880, quinquennially from 1880 to 1890, and annually from 1890 to 1908. An especially important feature is the decline in the amount of money in circulation and in per capita circulation in 1895 and 1896 and the rapid increase which has characterized more recent years. It will be seen that the total amount of money in circulation has doubled since 1896 and that the increase has occurred chiefly in gold, and in gold certificates for which an equivalent in gold is deposited in the Treasury Department. The total circulation has doubled and the per capita circulation has increased more than 50 per cent since 1896, when Mr. Bryan and his followers were telling us that free coinage of silver was necessary to a growth of our currency.

*Money in circulation in the United States, 1800 to 1908.*  
[From the Statistical Abstract.]

Years, ending June 30--	Money in circulation.							
	Gold.	Silver.	Gold certificates.	Silver certificates.	U. S. Notes (greenbacks).	National bank notes.	Miscella- neous currency.	Total money in circulation
1800	\$16,000,000						\$10,500,000	\$26,500,000
1810	27,000,000						28,000,000	55,000,000
1820	22,300,000						44,800,000	67,100,000
1830	26,344,295						61,000,000	87,344,295
1840	79,836,916						105,968,572	186,305,488
1850	147,305,456						121,366,526	278,761,982
1860	228,301,775						207,102,477	435,404,252
1870	25,000,000						36,602,075	61,602,075
1880	\$225,695,779	\$68,622,345	\$7,933,900	\$5,781,369	\$324,962,638	\$288,648,081		973,382,228
1885	341,638,411	82,789,890	126,729,730	104,530,916	327,895,457	337,415,178		1,292,568,615
1890	374,258,923	110,311,336	130,830,859	297,576,235	331,218,637	308,631,001		1,429,251,270
1891	407,319,163	117,015,399	120,033,069	307,235,966	334,688,977	181,694,937		1,197,440,707
1892	408,588,824	120,111,163	141,033,619	326,693,465	343,207,360	162,221,046	40,348,704	1,601,347,187
1893	408,535,663	122,399,539	92,642,189	326,032,818	309,579,904	167,221,517	128,098,692	1,506,701,245
1894	495,976,730	111,075,619	66,339,819	326,990,736	266,589,602	174,669,966	152,570,614	1,660,808,708
1895	479,637,931	112,336,057	48,381,309	319,622,941	263,648,985	206,953,051	171,388,169	1,601,968,473
1896	451,965,064	112,321,355	42,198,119	330,672,191	224,249,868	215,168,122	126,935,247	1,640,200,519
1897	517,581,688	111,555,690	37,285,339	357,819,312	245,954,622	225,544,351	144,429,517	1,506,434,966
1898	657,950,463	122,539,886	35,811,589	390,126,510	284,569,022	222,990,988	123,871,437	1,837,859,895
1899	679,738,050	130,517,250	32,655,919	402,130,617	308,351,842	237,805,439	112,836,764	1,904,071,881
1900	610,803,472	142,070,334	207,036,019	409,645,574	313,971,545	300,115,112	79,008,942	2,055,150,998
1901	629,730,765	116,156,537	247,036,359	428,613,556	330,015,406	345,110,801	47,524,538	2,175,307,962
1902	632,391,289	151,468,577	306,329,009	446,577,662	334,291,722	345,476,516	29,802,776	2,249,390,551
1903	617,260,478	167,117,934	377,258,559	454,733,013	334,248,567	390,996,709	19,906,648	2,367,692,169
1904	615,817,576	166,842,169	465,655,099	461,138,698	333,759,425	433,027,836	12,072,037	2,519,142,860
1905	611,073,389	175,022,043	485,210,749	454,864,708	332,420,697	480,028,849	9,272,018	2,587,882,653
1906	668,675,075	188,630,872	516,561,849	471,520,051	335,940,220	548,001,238	7,337,320	2,736,646,628
1907	a 561,697,371	203,487,845	600,072,290	470,211,225	342,270,055	589,242,125	5,975,535	a2,772,956,455
1908	614,553,628	199,267,923	788,464,300	465,581,977	340,189,838	632,431,530	4,968,084	3,045,457,289

a As the result of special investigation by the Director of the Mint, a reduction of \$135,000,000 was made in the estimate of gold coin in circulation on July 1, 1907, as compared with the basis of previous years.

## BANK DEPOSITS.

## Bank Deposits in the United States, 1875 to 1907.

This table, taken from the official reports of the Comptroller of the Currency, shows the amount of money deposited in all classes of banks and the grand total of bank deposits in the United States in each year from 1875 to 1907. It will be noted that the total gain in total deposits in the four Democratic years, from the end of 1892 to the end of 1896, was but 280 million dollars, an annual average of 70 millions during that period, while the increase since the beginning of 1897 has averaged 700 million dollars per annum, or more than ten times as much annually as the annual average during the four years of Democracy and low tariff.

## Deposits in banks of all classes in the United States, 1875 to 1907.

Years.	Deposits in—					Total deposits.
	National banks.	Savings banks.	State banks.	Loan and trust companies.	Private banks.	
	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.
1875.	686,478,630	924,037,304	165,871,439	85,025,371	321,100,000	2,182,512,744
1876.	641,432,886	941,350,255	157,928,658	87,817,992	322,100,000	2,150,629,791
1877.	636,267,529	866,218,306	226,654,538	84,215,849	243,840,000	2,057,196,222
1878.	621,632,160	879,897,425	142,764,491	73,136,578	183,830,000	1,901,260,654
1879.	648,934,141	802,490,298	166,958,229	75,873,219	139,920,000	1,834,175,887
1880.	833,701,034	819,106,973	208,751,611	90,008,008	182,667,235	2,134,234,861
1881.	1,031,731,043	891,961,142	261,362,303	111,670,329	241,845,554	2,538,570,371
1882.	1,066,707,249	966,797,081	281,775,496	144,841,596	295,622,160	2,755,743,582
1883.	1,043,137,763	1,024,556,787	334,995,702	165,378,515	(h)	-----
1884.	979,020,350	1,073,294,955	325,365,669	188,745,922	(h)	-----
1885.	1,106,376,517	1,095,172,147	344,307,916	188,417,293	(h)	-----
1886.	1,146,246,911	1,141,530,578	342,882,767	214,063,415	(h)	-----
1887.	1,285,076,979	1,235,247,371	447,995,653	240,190,711	96,580,457	3,305,091,171
1888.	1,292,342,471	1,364,196,550	410,047,842	257,878,114	94,878,842	3,419,343,819
1889.	1,442,137,979	1,444,391,325	507,084,481	299,612,899	83,183,718	3,776,410,402
1890.	1,521,745,665	1,550,023,956	553,054,584	336,456,492	99,721,667	4,061,002,364
1891.	1,535,058,569	1,654,826,142	556,637,012	355,330,080	94,959,727	4,196,811,530
1892.	1,753,339,680	1,758,329,618	648,513,809	411,659,996	93,091,148	4,664,934,251
1893.	1,556,761,230	1,808,800,262	706,865,643	486,244,079	68,552,696	4,627,223,910
1894.	1,677,801,201	1,777,833,242	658,107,494	471,298,816	66,074,549	4,651,115,302
1895.	1,736,022,007	1,844,357,798	712,410,423	546,652,657	81,824,932	4,921,267,817
1896.	1,668,413,508	1,935,466,468	695,659,914	586,468,156	59,116,378	4,945,124,424
1897.	1,770,480,563	1,983,413,564	723,640,795	566,922,205	50,278,243	5,094,735,370
1898.	2,023,357,160	2,028,208,409	1,912,365,406	662,138,397	62,085,084	5,688,164,456
1899.	2,522,157,509	2,182,006,424	1,164,020,972	835,499,064	64,974,392	6,768,658,361
1900.	2,458,092,758	2,389,719,954	1,266,735,282	1,028,232,407	96,206,049	7,238,986,450
1901.	2,941,837,429	2,516,843,293	1,610,502,246	1,271,081,174	118,621,903	8,458,886,045
1902.	3,098,875,772	2,650,104,486	1,698,185,287	1,525,887,493	131,669,948	9,104,722,986
1903.	3,200,993,509	2,815,483,106	1,814,570,163	1,589,398,796	133,247,990	9,553,693,594
1904.	3,312,439,842	2,918,775,329	2,073,218,049	1,600,322,325	95,791,454	10,000,546,999
1905.	3,783,658,494	3,093,077,357	2,365,209,630	1,980,856,737	127,937,098	11,350,739,316
1906.	4,055,873,637	3,299,544,601	2,741,464,129	2,008,937,790	109,947,509	12,215,767,666
1907.	4,322,880,141	3,495,410,087	3,068,649,860	2,061,623,035	151,072,225	13,099,635,348

The Republican party was born because of a principle, and it has lived and grown because of principles too sound to be overthrown, too deep to be effaced.—Hon. James S. Sherman.

In the great battle of 1896 the Republican party again stood for the maintenance of the integrity of the nation. The fight was against odds produced by a great industrial depression, and against the most sophistical arguments. The Republican party maintained a campaign of education among the wage-earners and the farmers, which ultimately led to the complete defeat of this second financial heresy which has threatened the integrity of our business structure.—Hon. Wm. H. Taft, at Kansas City, Mo.

There has never been a Republican Administration which has not carried us forward. There has not been a Democratic Administration since the advent of the Republican party that has not carried us backward. The Democratic party has never had the courage, even when it had the opportunity, to enact into law its own promises. The Republican party on the contrary has not only promised but has fulfilled its pledges and accomplished even more than it pledged. That is why it has the confidence of the people, that is why it can again be intrusted with legislation and administration for another term. That is why it should be, and I believe will be, successful again next November.—Hon. James S. Sherman.

*Number of savings banks in the United States, number of depositors, amount of savings deposits, average amount due each depositor in the years 1820, 1825, 1830, 1835, 1840, and 1845 to 1907, and average per capita in the United States in the years given.*

[Compiled in the office of the Comptroller of the Currency.]

Year.	Number of banks.	Number of depositors.	Deposits.	Average due each depositor.	Average per capita in the United States
1820.....	10	8,635	\$1,138,576	\$131.86	\$0.12
1825.....	15	16,931	2,537,082	149.84	.23
1830.....	36	38,035	6,973,304	183.09	.54
1835.....	52	60,058	10,618,726	176.72	.72
1840.....	61	78,701	14,051,520	178.54	.82
1845.....	70	145,206	24,506,677	168.77	1.23
1846.....	74	158,709	27,374,325	172.48	1.33
1847.....	76	187,739	31,627,479	168.46	1.50
1848.....	83	199,764	33,087,488	165.63	1.52
1849.....	90	217,318	36,073,924	165.99	1.60
1850.....	108	251,354	43,431,130	172.78	1.87
1851.....	128	277,148	50,457,913	182.03	2.10
1852.....	141	308,893	59,467,453	192.54	2.40
1853.....	159	365,523	72,313,696	197.82	2.82
1854.....	190	396,173	77,823,906	196.44	2.94
1855.....	215	431,602	84,290,076	195.29	3.09
1856.....	222	487,986	95,508,230	195.90	3.40
1857.....	231	490,428	98,512,968	200.87	3.41
1858.....	245	538,840	108,438,287	201.24	3.64
1859.....	259	622,556	128,657,901	206.66	4.21
1860.....	278	693,870	149,277,504	215.13	4.75
1861.....	285	694,487	146,729,882	211.27	4.58
1862.....	289	787,913	169,434,540	215.03	5.18
1863.....	293	887,096	206,335,202	232.48	6.18
1864.....	305	976,025	236,280,401	242.08	6.94
1865.....	317	980,844	242,619,382	247.35	6.98
1866.....	336	1,067,061	282,155,794	264.70	7.96
1867.....	371	1,188,202	327,009,452	283.63	9.03
1868.....	406	1,310,144	392,781,813	299.80	10.62
1869.....	476	1,466,684	457,675,050	312.04	12.12
1870.....	517	1,680,846	549,874,358	337.17	14.26
1871.....	577	1,902,047	650,745,442	342.13	16.45
1872.....	647	1,992,925	735,046,805	368.82	18.11
1873.....	660	2,185,832	802,363,609	367.07	19.25
1874.....	693	2,293,401	864,556,902	376.98	20.20
1875.....	771	2,359,864	924,037,304	391.56	21.25
1876.....	781	2,368,630	941,350,255	397.42	20.86
1877.....	675	2,395,314	865,218,306	361.63	18.69
1878.....	533	2,400,785	879,897,425	366.50	18.49
1879.....	639	2,268,707	802,490,298	353.72	16.42
1880.....	629	2,335,582	819,106,973	350.71	16.33
1881.....	629	2,528,749	891,061,142	352.73	17.33
1882.....	629	2,710,354	966,797,081	356.70	18.42
1883.....	630	2,876,438	1,024,856,787	356.29	19.09
1884.....	636	3,015,151	1,073,294,955	355.96	19.55
1885.....	646	3,071,495	1,095,172,147	356.56	19.51
1886.....	638	3,158,950	1,141,530,578	361.36	19.89
1887.....	684	3,418,013	1,235,247,371	361.39	21.05
1888.....	801	3,838,291	1,364,196,550	355.41	22.75
1889.....	849	4,021,523	1,425,230,349	354.40	23.25
1890.....	921	4,258,893	1,524,844,506	358.03	24.35
1891.....	1,011	4,533,217	1,623,079,749	358.04	25.29
1892.....	1,059	4,781,605	1,712,769,026	358.20	26.11
1893.....	1,030	4,830,599	1,785,150,957	369.55	26.63
1894.....	1,024	4,777,687	1,747,931,280	365.86	25.53
1895.....	1,017	4,875,519	1,810,597,023	371.36	25.88
1896.....	988	5,065,494	1,907,156,277	376.50	26.68
1897.....	980	5,201,132	1,939,376,035	372.88	26.56
1898.....	979	5,385,746	2,065,631,298	383.54	27.67
1899.....	987	5,687,818	2,230,366,954	392.13	29.24
1900.....	1,002	6,107,083	2,449,547,885	401.10	31.78
1901.....	1,007	6,358,723	2,597,094,580	408.30	33.45
1902.....	1,000	6,666,672	2,750,177,290	412.53	34.89
1903.....	1,078	7,035,228	2,935,204,845	417.21	36.52
1904.....	1,157	7,305,443	3,060,178,611	418.89	37.52
1905.....	1,237	7,696,229	3,261,236,119	423.74	39.17
1906.....	1,319	8,027,192	3,482,137,198	433.79	41.13
1907.....	1,415	8,538,811	3,690,078,945	429.64	42.87

Anything that makes capital idle, or which reduces or destroys it, must reduce both wages and the opportunity to earn wages. It only requires the effects of a panic through which we are passing, or through which we passed in 1893 or 1873, to show how closely united in a common interest we all are in modern society. We are in the same boat, and financial and business storms which affect one are certain to affect all others.—Hon. Wm. H. Taft, before the Cooper Union, New York City.



## SAVING BANK DEPOSITS.

**Deposits and Depositors in Savings Banks in the Principal Countries of the World, compared with those of the United States.**

This table, which shows the number of depositors in savings banks in the principal countries of the world, and the average amount per capita, gives an opportunity to compare the prosperity of American savings depositors with that of depositors in other countries. It will be noted that the total amount of deposit and the per capita deposit exceed in the United States those of any other country shown in the list, which includes all countries for which statistics of this character are available. The table is an official one prepared by the Bureau of Statistics for publication by the Comptroller of the Currency in his annual report for 1908.

*Depositors, amount of deposits and average deposit in all savings banks, and average deposit per inhabitant in the principal countries of the world, according to latest available information.*

[From 1907 Report of the Comptroller of the Currency.]

Countries.	Number of depositors.	Deposits.	Average deposit.
Austria.....	\$5,514,570	\$1,033,181,961	\$187.32
Belgium (a).....	2,311,845	151,640,983	65.59
Denmark (b).....	1,323,044	212,900,390	160.98
France.....	12,131,523	898,376,625	74.03
Germany.....	17,204,217	2,831,333,000	163.71
Hungary (c).....	1,546,629	370,944,925	239.81
Italy (d).....	6,545,678	233,735,421	35.71
Netherlands.....	1,649,769	91,649,000	55.55
Norway.....	790,307	100,250,602	126.85
Russia (e).....	5,665,996	533,346,000	94.13
Finland.....	243,525	24,431,885	100.33
Sweden.....	1,941,655	175,917,932	90.60
United Kingdom.....	12,093,783	1,017,126,458	84.10
Australasia.....	1,500,443	237,305,271	158.16
Canada (f).....	209,563	63,741,650	293.07
Cape Colony.....	107,191	12,514,706	116.75
British India.....	1,115,758	45,396,741	40.69
Japan.....	12,552,050	75,966,732	6.05
United States (g).....	8,588,811	3,690,078,915	429.64
All other.....	2,680,278	306,788,235	114.46
Total.....	\$95,809,635	\$12,106,630,522	\$126.36

a. Data for the State-controlled Caisse Générale d'Epargne. Includes savings deposits with post-offices. In addition, there are four municipal and five private savings banks, which on December 31, 1904, had 42,279, and on December 31, 1905, 42,171 depositors, and deposits to the amount of \$9,379,623 in 1904, and \$9,575,248 in 1905.

b. Includes all savings institutions. Number of depositors in savings banks proper, exclusive of branches of ordinary banks, was in 1905, 1,021,697; in 1904, 996,615; deposits, \$160,621,194 in 1904, and \$166,677,241 in 1905.

c. Exclusive of owners of savings deposits in commercial banks and savings associations, who numbered in 1905, 499,238, and in 1904, 462,307, with deposits of \$144,622,000 in 1904 and \$162,948,000 in 1905.

d. Exclusive of depositors in the so-called "società ordinarie di credito" and "società cooperative di credito," for which the number of depositors is not stated. The deposits at the end of 1903 amounted to \$85,965,495.

e. Preliminary data for all Government savings banks, as published in the Viestnik Finansov. Deposits are exclusive of securities held for depositors, the nominal value of which on December 31, 1905, was \$115,431,000, and on December 31, 1906, \$122,262,000.

f. Exclusive of deposits and depositors in the special savings banks, amounting on June 30, 1906, to \$27,399,194. The total deposits in all savings banks amounted thus to \$89,309,816 in 1906, making the average deposit per inhabitant \$13.87. These totals do not include the savings deposits in the chartered banks ("deposits payable after notice or on a fixed day"), which on December 31, 1906, were \$398,765,182, and on December 31, 1905, \$338,411,275.

g. Includes Illinois State banks having savings departments.

**Liberty and honor do not measure all that the party has stood for and stands for today. There is another great underlying policy which the Republican party adopted at its birth and has developed since as has none of the great powers of Christendom. I refer to the Policy of Progress, which has made our country the greatest, our nation the strongest, and our people the wealthiest and happiest of all the peoples of the world.—Hon. James S. Sherman.**



## National banks organized since the establishment of the national banking system--Continued.

[From the report of the Comptroller of the Currency.]

Year ending October 31.	Organized.		Closed.		Insolvent.		Net yearly increase.		Net yearly decrease.	
	No.	Capital.	No.	Capital.	No.	Capital.	No.	Capital.	No.	Capital.
1892.....	163	\$15,285,000	53	\$6,157,500	17	\$2,450,000	93	\$6,677,500		
1893.....	119	11,230,000	46	6,085,000	65	10,985,000	8			\$5,740,000
1894.....	50	5,285,000	79	10,475,000	21	2,770,000			50	7,960,000
1895.....	43	4,890,000	49	6,093,100	36	5,235,020			42	6,338,120
1896.....	28	3,245,000	37	3,745,000	27	3,805,000			36	4,405,000
1897.....	44	4,420,000	70	9,653,000	38	5,851,500			65	11,090,500
1898.....	56	9,665,000	69	12,500,000	7	1,200,000			19	4,014,000
1899.....	78	16,470,000	64	24,335,000	12	850,000	2			8,715,000
1900.....	383	19,960,000	43	12,474,950	6	1,800,000	331	5,685,030		
1901.....	394	21,554,500	39	7,415,000	11	1,760,000	344	12,379,500		
1902.....	470	31,130,000	71	22,190,000	2	450,000	397	8,490,000		
1903.....	553	34,333,500	72	30,720,000	12	3,480,000	469	133,500		
1904.....	431	21,019,300	65	20,285,000	20	1,535,000	346			800,700
1905.....	506	33,532,500	121	24,409,500	22	2,035,000	363	7,088,000		
1906.....	455	21,413,500	81	13,223,000	8	680,000	366	7,510,500		
1907.....	516	34,967,000	84	11,745,000	7	775,000	425	22,447,000		
Aggregate.....	8,937	971,863,482	1,834	329,902,050	475	76,192,420	6,909	629,107,832		
Deduct decrease.....							281	63,338,820		
Net increase.....							6,628	565,769,012		
Add for banks restored to solvency.....							22	6,105,000		
Total net increase.....							6,650	\$571,874,012		

a The total authorized capital stock on October 31 was \$909,274,775; the paid-in capital, \$907,678,316, including the capital stock of liquidating and insolvent banks which have not deposited lawful money for the retirement of their circulating notes.



## BUILDING ASSOCIATIONS.

**They Care for \$728,000,000 of the People's Savings.—An Increase of \$55,000,000 in 1907 Alone.**

[From Cincinnati Commercial Tribune, March 1, 1908.]

The report of Secretary Cellarius, of the United States League of Building Associations, now in session at New Orleans, shows that the building associations of the United States are caring for the enormous number of 728,000,000 dollars of the savers among the people of the United States—the home-builders and home-owners of the country. Secretary Cellarius thus tells of the remarkable increase in the holdings of the building associations during 1907:

The building and loan associations of the United States have increased approximately \$55,000,000 in assets in 1907, so that they now care for \$728,000,000 of the people's savings. The members of these associations are largely wage-earners. They have in the aggregate accumulated a vast sum, which has been mainly loaned to members for the purpose of securing their own homes.

During the same year the membership increased over 100,000, with Pennsylvania having the largest increase in assets—\$10,000,000—and Ohio next with an increase of \$8,000,000. In only one State, California, was there a decrease in membership, 2,000 falling from the rolls; yet the assets of the associations in that State increased in the sum of of \$200,000. Plainly the calamity howler ought to take to the woods in the face of the showing of the building associations of the United States. Deposits of \$673,000,000 in 1906 rising to deposits of \$728,000,000 in 1907 are a most conclusive answer to the pessimists whose only delight is in the determination to see nothing but calamity and to hear nothing but its howls. The better part of the showing is in the fact that the depositor in a building association is a home-builder, adding immensely to the wealth of the country and raising the standard of citizenship. Ohio shows up well, magnificently well, in fact, considering the greater population of Pennsylvania, and 1908 will push her further to the front.

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 FAILURES.

**Commercial Failures in the United States, 1880 to 1907.**

The table which follows, taken from Dun's Review, a non-partisan publication, shows the number of commercial failures and the amount of liabilities in each year from 1880 to 1907. These figures are for the calendar years—the year ending December 31—and those for 1907 therefore include most of the great failures which occurred during the recent financial troubles. It will be noted that the total liabilities in 1907 (\$197,000,000) were but about one-half of those of 1893 (\$346,000,000), when the population was but about three-fourths that of today, and much less than the annual average during the four Democratic years, 1893, 1894, 1895 and 1896, although the population of the United States was then less than 70,000,000 against the present 86,000,000. The liabilities of the failures of 1893 amounted to \$346,779,839, when the entire population was about 66,349,000, or an average liability of \$5.23 if applied to the entire population. In 1907 the liabilities were \$197,385,225 and the population 85,817,293, or an average liability of \$2.30 per capita in 1907, against \$5.23 per capita in 1893.

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**Principles are more enduring than men, more lasting than factions.—Hon. James S. Sherman.**

**Instead of making a panic, the national policy of ending the lawlessness of corporations in interstate commerce, and of taking away their power of issuing, without supervision, stocks and bonds, will produce a change in their management and remove one fruitful cause for loss of public confidence.—Hon. Wm. H. Taft, to Merchants and Manufacturers' Association, Boston, Mass.**

*Commercial failures and average of liabilities, 1880 to 1907.*

[From Dun's Review, New York.]

Calendar Year.	Total for the Year.				
	Number of failures	Number of business concerns.	Per ct. of failures.	Amount of liabilities.	Average liabilities.
1880	4,735	746,823	0.63	\$65,752,000	\$13,886
1881	5,582	781,689	.71	81,155,932	14,530
1882	6,738	822,256	.82	101,517,564	15,070
1883	9,184	863,993	1.06	172,874,172	18,823
1884	10,968	904,759	1.21	226,343,427	20,632
1885	10,637	919,900	1.16	124,220,321	11,678
1886	9,834	969,841	1.01	114,644,119	11,651
1887	9,634	994,281	.90	167,560,944	17,392
1888	10,679	1,046,662	1.02	123,829,973	11,595
1889	10,882	1,051,140	1.04	148,781,337	13,672
1890	10,907	1,110,590	.98	189,856,964	17,406
1891	12,273	1,142,951	1.07	189,868,638	15,471
1892	10,344	1,172,705	.88	114,044,167	11,025
1893*	15,242	1,193,113	1.28	346,779,839	22,751
1894*	13,885	1,114,174	1.25	172,932,956	12,458
1895*	13,197	1,209,282	1.09	173,196,060	13,124
1896*	15,068	1,151,579	1.31	226,096,834	14,992
1897	13,351	1,058,521	1.26	154,332,071	11,559
1898	12,186	1,105,830	1.10	130,662,899	10,722
1899	9,337	1,147,595	.81	90,879,889	9,733
1900	10,774	1,174,300	.92	138,495,673	12,854
1901	11,002	1,219,242	.90	113,092,376	10,279
1902	11,615	1,253,172	.93	117,476,769	10,114
1903	12,069	1,281,481	.94	155,444,185	12,879
1904	12,199	1,320,172	.92	144,202,311	11,820
1905	11,520	1,356,217	.85	102,676,172	8,913
1906	10,682	1,391,537	.77	119,201,515	11,159
1907	11,725	1,417,077	.82	197,385,225	16,834

\*Democratic and low tariff period.

**WHEAT PRODUCTION AND CONSUMPTION.****Wheat Production and Consumption of the United States and Production of the World.**

This table shows the production, exports, quantity retained for consumption, consumption per capita, and farm value of wheat in the United States, for a long term of years. The per capita consumption, a measure of the prosperity of the people, was, it will be observed, larger in 1906 than in any earlier year; the value of the crop per acre in 1905, 1906 and 1907, greater than in many years; the production unusually large, but the exportation much below the annual average prior to 1904, indicating that the requirements of our own population are rapidly approaching present productive capacity and justifying the efforts of the present administration to expand the producing area of the country through irrigation, drainage and the conservation of natural resources.

*Quantities of wheat produced in the United States and in the world, and of wheat and wheat flour exported and retained for consumption, 1877 to 1907; flour reduced to wheat at  $4\frac{1}{2}$  bushels to barrel.*

[From the Statistical Abstract.]

Year ending June 30-- (a)	Production.	Exports of domestic.	Domestic retained for consumption.	Per capita consumption.	Value of crop per acre.	World's production.
			Quantity.			
	Bushels.	Bushels.	Bushels.	Bush.		
1877	289,356,500	57,013,936	232,312,564	5.01	\$10.09	Average crop. 1,944,000,000
1878	364,196,146	92,071,726	272,154,520	5.72	14.65	
1879	420,122,400	150,502,506	269,619,894	5.58	10.15	
1880	448,756,630	180,301,180	268,452,450	5.35	15.27	
1881	498,549,868	186,321,514	312,228,354	6.09	12.48	
1882	383,280,090	121,892,389	261,387,701	4.98	12.12	
1883	501,185,470	147,811,316	356,374,154	6.64	12.02	
1884	421,086,160	111,534,182	309,551,978	5.64	10.52	2,115,000,000

*Quantities of wheat produced—Continued.*

Year ending June 30— (a).	Production.	Exports of domestic.	Domestic retained for consumption.	Per capita consumption.	Value of crop per acre.	World's production.
	Bushels.	Bushels.	Bushels.	Bush.		
1885-----	512,765,000	132,570,366	380,194,634	6.77	8.38	-----
1886-----	357,112,000	94,565,793	262,546,207	4.57	8.05	-----
1887-----	457,218,000	153,804,969	303,413,031	5.17	8.54	2,434,000,000
1888-----	456,329,000	119,624,344	336,703,656	5.62	8.25	-----
1889-----	415,868,000	88,600,742	327,267,258	5.34	10.32	-----
1890-----	490,560,000	109,430,467	381,129,533	6.09	8.98	-----
1891-----	399,262,000	106,181,316	293,080,684	4.59	9.28	2,432,322,000
1892-----	611,780,000	225,665,812	386,114,188	5.94	12.86	2,481,805,000
1893-----	515,949,000	191,912,635	324,036,365	4.89	8.35	2,562,913,000
1894-----	396,131,725	164,283,129	231,848,596	3.44	6.16	2,660,557,000
1895-----	460,267,416	144,812,718	315,454,698	4.59	6.48	2,562,518,000
1896-----	467,102,947	126,443,968	340,658,979	4.85	6.99	2,506,320,000
1897-----	427,684,346	145,124,972	282,559,374	3.95	8.97	2,236,268,000
1898-----	530,149,168	217,306,004	312,843,164	4.29	10.86	2,948,246,000
1899-----	675,148,705	222,618,420	452,530,285	6.09	8.92	2,783,885,000
1900-----	547,303,846	186,096,762	361,207,084	4.74	7.17	2,640,751,000
1901-----	522,229,505	215,990,073	306,239,432	3.95	7.61	2,955,975,000
1902-----	748,460,218	234,772,515	513,687,703	6.50	9.37	3,090,116,000
1903-----	670,063,008	202,905,598	467,157,410	5.81	9.14	3,186,883,000
1904-----	637,821,835	120,727,613	517,094,222	6.33	8.96	3,147,627,000
1905-----	552,399,517	44,112,910	508,286,607	6.15	11.58	3,317,381,000
1906-----	692,979,489	97,609,007	595,370,482	7.07	10.83	3,423,134,000
1907-----	735,260,970	146,700,425	588,560,545	6.86	10.37	3,111,059,000

a The production and value per acre relate to the calendar year preceding the fiscal year.

Prosperity has come at home; the national honor and interest have been upheld abroad.—From President Roosevelt's speech of acceptance.

The price of wheat is fixed by the law of supply and demand, which is eternal; gold has not made long crops or short crops, high prices or low prices.—Maj. McKinley to Homestead workingmen, September 12, 1896.

We must regard and have an interest in what our neighbors are doing, and when we can assist them, we cannot pass by on the other side as the Levite did, but we must take them up as the Good Samaritan did and bind up their wounds and prepare to send them on their way rejoicing.—Hon. Wm. H. Taft, at Cleveland, Ohio.

The true welfare of the country is indissolubly bound up with the welfare of the farmer and the wage-worker—of the man who tills the soil, and of the mechanic, the handicraftsman, the laborer. If we can insure the prosperity of these two classes we need not trouble ourselves about the prosperity of the rest, for that will follow as a matter of course.—Vice-President Roosevelt at opening of Pan-American Exposition, May 20, 1901.

In the first place it is said that the policy of the administration has been directed for the last four years against organized capital, and that it has thereby frightened investors. I deny it. The course of the administration has been directed against such organized capital as was violating the statutes of the United States—and no other. It had every consideration and desire to aid and assist organized capital which was engaged in legitimate business.—Hon. Wm. H. Taft, to Merchants and Manufacturers' Association, Boston, Mass.

The tide of prosperity may ebb and flow, but the great waves of industrial wealth will continue to grow in volume with ever-increasing comfort and happiness to our contented people, who will soon number 100,000,000. And because of our intelligent and skillful labor, made so because of good wages and good living, we shall make better fabrics and build stronger structures—that in spite of their higher cost in the beginning will be cheaper in the end and will be wanted by the people in every corner of the earth. So that we shall capture the markets of the world in greater volume without ever sacrificing our home market, the foundation of our National wealth and progress.—Hon. James S. Sherman.

One vital, dominating fact confronts the Democratic party which no oratory, which no eloquence, which no rhetoric can obscure: BRYAN'S NOMINATION MEANS TAFT'S ELECTION.—New York World.



*Financial, commercial, and industrial conditions in the United States, 1892, 1896, and 1907.*

ITEMS.	1892.	1896.	1907.
Population.....	65,086,000	70,254,000	85,817,000
Interest-bearing debt.....dolls.	585,029,330	847,363,890	894,834,280
Annual interest charge.....dolls.	22,893,883	31,387,266	21,628,914
Annual interest per capita.....cts.	35	49	25
Receipts from customs.....dolls.	177,452,964	160,021,752	332,233,363
Treasury receipts, net ordi- nary.....dolls.	354,937,784	326,976,200	663,140,334
Gov't expenditures (a).....dolls.	345,023,331	352,179,446	578,903,748
Gold in Treasury.....dolls.	114,612,892	102,494,781	304,619,431
Gold and gold certificates in circulation (b).....dolls.	549,662,443	497,103,183	b1,161,769,607
Money in circulation.....dolls.	1,601,347,187	1,506,434,966	b2,772,956,455
Money in circulation, per capita.....dolls.	24.56	21.41	b32.22
Bank clearings, New York.....dolls.	36,279,905,236	29,350,894,884	95,315,421,238
Bank clear'gs, total, U. S.....dolls.	60,883,572,438	51,935,651,733	154,662,515,258
Loans and discounts, nat'l banks.....dolls.	2,127,757,191	1,971,642,012	4,631,143,692
Savings bank depositors (c) No.....dolls.	4,781,605	5,065,494	8,588,811
Savings bank deposits (d).....dolls.	1,758,329,618	1,935,466,468	3,495,410,087
Bank deposits, total.....dolls.	4,664,934,251	4,945,124,424	13,099,635,348
Industrial life insurance in force.....dolls.	583,527,016	888,266,586	2,453,616,207
Total life insurance in force.....dolls.	4,897,731,359	5,943,067,492	13,706,810,284
Imports.....dolls.	827,402,462	779,724,674	1,434,421,425
Imports, per capita (e).....dolls.	12.50	10.81	16.55
Exports.....dolls.	1,030,278,148	882,606,938	1,880,851,078
Exports, per capita (f).....dolls.	15.61	12.29	21.60
Excess of exports over im- ports.....dolls.	202,875,686	102,882,264	446,429,653
Imports of mfr's materials.....dolls.	188,317,595	197,646,852	477,027,174
Exports of manufactures.....dolls.	183,076,682	258,008,885	740,123,451
Share, mfr's form of ex- ports.....per cent.	18.02	29.89	39.92
Exports of meat and dairy products.....dolls.	141,210,834	133,377,549	202,392,508
Exports to Asia and Oceania.....dolls.	35,163,117	42,827,258	133,889,857
Exports to Porto Rico.....dolls.	2,856,003	2,102,094	25,686,285
Exports to Hawaii.....dolls.	3,781,628	3,985,707	h14,435,725
Exports to Philippine Isles.....dolls.	60,914	162,446	8,661,424
Animals on farms, total value.....dolls.	2,461,755,698	1,727,926,084	4,423,697,853
Horses.....dolls.	1,007,593,636	500,140,186	1,846,578,412
Cattle.....dolls.	922,127,287	872,883,961	1,527,054,378
Mules.....dolls.	174,882,070	103,204,457	428,063,613
Swine.....dolls.	241,031,415	186,529,745	417,791,321
Sheep.....dolls.	116,121,290	65,167,735	204,210,129
Sheep, total in U. S.....No.	44,938,365	38,298,783	53,240,282
Sheep, av. val. per head.....dolls.	2.60	1.70	3.95
Farm products, value—			
Corn.....dolls.	642,146,630	491,006,967	1,336,901,000
Wheat.....dolls.	322,111,881	310,602,539	554,437,000
Oats.....dolls.	209,253,611	132,485,033	334,568,000
Hay.....dolls.	490,427,798	388,145,614	743,507,000
Potatoes.....dolls.	103,567,520	72,182,350	183,880,000
Wool production.....lbs.	294,000,000	272,474,708	298,294,750
Wool.....dolls.	79,075,777	32,529,536	78,263,165
Cotton production.....dolls.	313,000,000	269,116,000	578,000,000
Beet-sugar production.....tons.	5,000	29,000	432,000
Mineral production.....dolls.	622,543,381	640,544,221	j1,902,517,565
Coal production.....tons.	160,115,242	171,416,393	j369,783,284
Pig-iron production.....tons.	9,157,000	8,623,129	25,781,361
Steel rails mfg.....tons.	1,298,936	1,300,325	j3,977,872
Steel manufactured.....tons.	4,927,581	5,281,689	23,398,000
Exports of iron and steel.....dolls.	28,800,930	41,160,877	181,530,871
Tin plates manufactured.....lbs.	42,119,192	359,209,798	j1,293,738,880
Tin plates imported.....lbs.	422,176,202	385,138,983	142,529,406
Pig tin imported.....lbs.	43,908,652	49,952,957	96,013,005
Domestic cotton used in mfg.....bales.	2,858,000	2,505,000	5,005,000
Silk imported for mfg.....lbs.	8,834,049	9,363,987	18,743,904
Hides and skins imported.....dolls.	26,850,218	30,520,177	83,206,545
Rubber imported for mfg.....lbs.	39,976,205	36,774,460	76,963,838
P. O. Dept., receipts of.....dolls.	70,930,476	82,499,208	183,585,006
Telegraph messages sent.....No.	71,722,589	72,221,896	98,480,097
Telephone subscribers (k).....No.	216,017	281,695	3,035,533
Patents issued.....No.	23,559	23,273	36,620
Failures.....No.	10,344	15,088	11,725
Failures, liabilities.....dolls.	114,044,167	226,096,834	197,385,225
Original homestead entries.....acres.	16,808,791	4,830,915	14,754,585
Railways built.....miles.	4,141	1,654	j5,294
Railways, net earnings.....dolls.	352,817,405	332,766,979	j790,187,712
Railways, dividends paid.....dolls.	93,862,412	81,528,154	j253,340,925
Railways, employees.....No.	821,415	m785,034	j1,521,355
Railways, wages paid.....dolls.	440,318,900	m445,508,261	jn900,801,653
Railways, freight carried.....tons.	730,645,011	773,868,716	j1,610,099,829
Railway passengers, carried.....No.	575,769,678	535,120,756	j815,744,116

*Financial, commercial, and industrial conditions in the United States, 1892, 1896, and 1907.—Continued.*

ITEMS.	1892.	1896.	1907.
Railways, freight receipts, ton per mile-----cents--	94	82	7
Railways sold under foreclosure -----miles--	1,922	13,730	11
Freight passing Sault Ste. Marie canals -----tons--	10,647,203	17,249,418	44,087,97
WHOLESALE PRICES (ANNUAL AVERAGE).			
	Dollars.	Dollars.	Dollars.
Wheat -----per bush--	0.7876	0.6413	0.9073
Corn -----per bush--	.4500	.2580	.5280
Oats -----per bush--	.3042	.1801	.4501
Flour, patent -----barrel--	4.3466	3.7957	4.8753
Hogs, heavy -----100 lbs--	5.1550	3.3579	6.0800
Bacon, short clear sides -----pound--	.0787	.0494	.051
Steers, choice to extra -----100 lbs--	5.0909	4.5957	6.5442
Beef, fresh native sides -----pound--	.0762	.0698	.0884
Coffee, Rio No. 7 -----pound--	.1430	.1233	.0658
Sugar, granulated -----pound--	.04354	.04532	.0465
Tea, Formosa, fine -----pound--	.3008	.2533	.2300
Men's shoes, vici kid -----pair--	2.5000	2.2500	2.500
Men's shoes, brogan -----pair--	1.0375	.9938	1.2729
Serge suitings -----yard--	.9100	.6143	1.05
Women's dress goods, cashmere -----yard--	.3724	.1960	.3920
Wool, Ohio, and XX, scoured -----pound--	.6119	.3940	.7181
Coal, anthracite, stove -----ton--	4.1532	3.7942	4.8215
Coal, bituminous, at mine -----ton--	.9000	.9000	1.5375
Petroleum, refined -----gallon--	.0794	.1039	.1346
Pig iron, foundry No. 1 -----ton--	15.7492	12.9550	23.8950
Wire nails -----100 lbs--	2.1896	2.9250	2.1167
Cut nails -----100 lbs--	1.7583	2.7125	2.1625
Tin plates (o) -----100 lbs--	5.3050	3.4354	4.0900
Steel rails -----ton--	30.0000	28.0000	28.0000
Steel billets -----ton--	23.6308	18.8333	29.2533
Rope, manila, 3/4 inch -----pound--	.1148	.0664	.1290

a "Net ordinary expenses" include expenditures for War, Navy, Indians, pensions, payments for interest, and "Miscellaneous," but do not include payments for premiums, principal of public debt, or expenditures for postal service paid from revenues thereof.

b As the result of special investigation by the Director of the Mint a reduction of \$135,000,000 was made in the estimate of gold coin in circulation on July 1, 1907, as compared with the basis of previous years.

c Includes depositors in Illinois State banks having savings departments, for number of which see report of the Comptroller of the Currency.

d Exclusive of Illinois State banks having savings departments.

e Based on imports for consumption only.

f Based on domestic exports only.

g Shipments to Porto Rico.

h Shipments to Hawaii.

i Includes corn, wheat, oats, barley, rye, buckwheat, potatoes, and hay.

j 1906.

k Includes statistics of American Telephone and Telegraph Company and operating companies associated with it.

l 1893.

m 1895.

n Excludes compensation paid by Southern Pacific Company, not reported. Corresponding amount paid in 1905 was \$27,530,117.

o 1892 figures are for imported tin; those of subsequent years, of domestic manufacture.

**The policy of Washington is the policy of the Republican party.—Senator Cullom.**

**Luxuries to the European laborer are necessities to the American.—Senator Frye, in the American Economist.**

**The people have no patience with those who would violate the plighted faith of the nation and stamp its obligations with dishonor.—Hon. Wm. McKinley to delegation of farmers, at Canton, September 22, 1896.**

**The business men of our community as a whole are honest and their methods are sound. The President has never said otherwise. Indeed, it is chiefly in the interest of the great body of honest business men that he has made his fight for lawful business methods.—Hon. Wm. H. Taft, to Merchants and Manufacturers' Association, Boston, Mass.**

# THE TARIFF

Protection to American labor and industry was one of the leading motives which led to the Constitution—in fact, said Webster, “Without that provision in the Constitution it never could have been adopted.” It is not to be wondered at then that the first revenue law placed upon our statute books provided for the encouragement and protection of manufacturers. While the list of articles enumerated was small as compared to the extended schedule of to-day, yet the law was found to be most effective in inaugurating an industrial policy and an industrial advance, which has continued with more or less force and with comparatively few interruptions to the present day. This first tariff law continued in force practically without material change until 1812, when it was enacted:

“That an additional duty of 100 per cent upon the permanent duties now imposed by law upon goods, wares, and merchandise imported into the United States shall be levied and collected upon all goods, wares, and merchandise which shall, from and after the passing of this act, be imported into the United States from any foreign port or place.”

And it was further enacted:

“That this act shall continue in force so long as the United States shall be engaged in war with Great Britain and until the expiration of one year after the conclusion of peace, and no longer: *Provided, however,* That the additional duties laid by this act shall be collected on all such goods, wares, and merchandise as shall have been previously imported.”

This was the only complete revision of the tariff that has taken place in our history on account of war. The increase in tariff rates, coupled with the prohibitions of non-intercourse, threw us on our resources and resulted in the establishment of many new industries, which, in spite of the ravages of war, brought immense increase of national wealth and business activity.

In a special message to Congress, February 20, 1815, President Madison asked—

“Deliberate consideration of the means to preserve and promote the manufactures which have sprung into existence and attained an unparalleled maturity throughout the United States during the period of the European wars.”

The law of 1812 terminated on February 17, 1816, by its own provision, one year after the ratification of the Treaty of Ghent. Fearing that the duties existing before the war would not afford sufficient protection to the newly established industries, it was the determination of the leaders of the time that those duties should be increased in the new law of 1816; and the intention was to make the tariff a thoroughly protective one, yet it proved a failure, as the framers of that tariff had not anticipated the inundation of goods with which our country would be flooded from abroad and particularly from England because of the stocks that had accumulated there for several years. We, therefore, experienced our first great industrial depression, which lasted until 1824, when the first thoroughly protective tariff law was enacted, by which, in the words of the late President McKinley: “The nation was quickened into new life, and the entire country under the tariff moved on to higher triumphs in industrial progress, and to a higher and better destiny for all of its people.” In 1828 still higher duties were substituted. The operation of the law brought great dissatisfaction in the South, resulting in Nullification in South Carolina, which, however, was quickly suppressed by President Jackson. The agitation against the high duties of the 1828 tariff led to the compromise tariff of 1832, which provided for a gradual reduction every two years until only 20 per cent should remain. Long before the final reduction, however, the panic of 1837 came upon the country, bringing disaster on every hand and the greatest business depression which the country had up to that time known.



The election of the Whigs in 1840 was followed by the tariff of 1842—an adequate protection measure, and a revival of industry and prosperity immediately followed. But the Democrats again came into power in 1844, and under the leadership of the Secretary of the Treasury, Robert J. Walker, of Mississippi, a new law was framed in 1846 which remained in force until 1857, when the duties were further reduced and when another severe panic followed with accompanying distress to all phases of commerce and industry. This period from 1846 to 1860 was accompanied by the nearest approach to free trade in our history, and while the country enjoyed more or less progress and periods of prosperity in certain industrial lines, owing largely to demands abroad for our agricultural products, due to foreign wars and famines, yet in spite of these favorable conditions, the so-called Walker Tariff and tariff of 1857 brought widespread ruin to many of our industries and checked our industrial progress.

When the Republicans came into power in 1860, they were confronted with a country nearly bankrupt, with an empty Treasury, with industries prostrated, with expenditures exceeding receipts, and with an unfavorable balance of trade. Mr. Morrill, of Vermont, then Chairman of the Ways and Means Committee, framed a bill on protective tariff lines, which passed the House of Representatives on May 11, 1860, and the Senate in the early part of 1861, being signed by President Buchanan on March 2, 1861. It was really the first measure of any kind enacted by the Republican party, and since that law was placed on the statute books the Republican party has persistently and consistently advocated and enacted tariff laws which during their operation have not only afforded sufficient revenue, but have given ample protection to American labor and industry against the competition of cheaper labor abroad. This first law, due to the wisdom of Republican leaders, was in no way intended to be a war measure, and after the war broke out and during four years of its continuance, it was repeatedly amended to meet existing conditions. After the close of the war and during the years which followed numerous changes were made, reducing many of the high rates made necessary as revenue producers during the war period, but the Republican principle of protection was retined so long as the legislative and executive power remained in the hands of the Republican party.

The McKinley law enacted in 1890 was accepted by all Republicans and Protectionists as the best tariff law that had ever been framed up to that time. Under its operation the country was at the height of its prosperity and progress in 1892, when suddenly to the consternation of the industrial world a Democratic President was elected, and with him a Democratic Senate and House of Representatives. Anticipating the enactment of a tariff law largely for revenue only, a financial and industrial panic came over the country, which continued until it was arrested by the enactment of the so-called Dingley Tariff in 1897. Carrying out their threat, the Democrats framed and passed a low tariff bill in 1894, which became a law without the signature of the President and remained in force until July 24, 1897.

Since 1897 to the present time the Dingley law has been in operation, and under it the United States has shown a progress and prosperity never before known in the history of civilization. On other pages will be found detailed tables showing the changes from year to year in the various phases of our industrial life, in our foreign trade and domestic production, and in the state of the Treasury, and these tables will vindicate to the very last degree the wisdom of the Republican party in framing what has been without question as nearly perfect a tariff law as it was possible to frame to meet equitably the needs of all sections of the country, all classes of people, and all diversified industries. To show compactly what progress has been made under the Dingley law the following tabulation is given. The year 1896 is taken as the last full year of the Cleveland Free Trade Administration, and 1907 is taken as the last full year for which the figures are available.

## Conditions in 1907 compared with those of 1896.

Population.	1896.	1907.	Increase per cent.
Population	70,254,000	85,817,239	22.15
Money in circulation	\$1,506,434,966	\$2,772,956,455	84.07
Bank clearings	\$51,935,651,733	\$154,662,515,258	197.80
National banks deposits	\$1,668,413,508	\$4,322,880,141	159.10
Savings banks deposits	\$1,935,466,468	\$3,495,410,087	80.59
State banks deposits	\$695,659,914	\$3,068,649,860	341.11
Receipts of the Gov't (net ordinary)	\$326,976,200	\$663,140,334	102.81
Expenditures	\$352,179,446	\$578,903,748	64.38
Imports	\$779,724,674	\$1,434,421,425	83.97
Exports	\$882,606,938	\$1,880,851,078	113.10
Exports of manufactures	\$258,008,885	\$740,123,451	186.86
Farm products	a\$1,250,000,000	\$7,500,000,000	76.38
Value of farm animals	\$1,727,926,084	b\$4,331,230,000	150.66
Corn (farm values)	\$191,006,967	\$1,336,901,000	172.28
Wheat	\$310,602,539	\$554,437,000	78.50
Oats	\$132,485,033	\$334,568,000	152.53
Cotton	\$291,811,564	c\$721,647,237	147.30
Hay	\$388,145,614	\$743,507,000	91.55
Coal mined	tons. 171,416,390	c369,783,284	115.72
Pig iron manufactured	tons. 8,623,127	25,781,361	198.88
Steel	tons. 5,281,689	c23,398,136	343.00
Tin plate manufactured	pounds. 359,209,798	cl,293,738,880	260.16
Domestic cotton consumed	bales. 2,505,000	5,005,000	99.80
Sugar consumed	tons. 1,960,086	2,993,978	52.75
Railways	miles. 182,769	c222,635	21.81
Freight carried by railways	tons. 773,868,716	1,610,099,829	108.06
Post-office receipts	\$82,499,208	\$183,585,006	122.53

a Department of Agriculture estimate for 1897.

b 1903.

c 1906.

To show in brief the important changes and revisions of the tariff during our history and their result, the following summary is given, beginning with the tariff of 1812, the first important revision following the first law of 1789.

## Important tariff revisions.

Law of	Reason for revision.	Time con- sumed.*	Nature of change.	Result.
1812	War	No debate..	Rates doubled.	Beneficial.
1816	To provide new rates after repeal of war duties.	39 days....	Moderate protec- tion.	Disastrous.
1824	Ruinous condition of indus- tries.	4½ months.	Substantial in- crease.	Beneficial.
1828	To increase prosperity ....	4 months..	Further increase.	Do.
1832	Conciliation .....	6 months..	Decrease .....	Injurious.
1833	Compromise to save the Union.	2 months..	....Do.....	Disastrous.
1842	To save our industries ...	5 months..	Increase .....	Beneficial.
1846	To satisfy the Southern free traders.	3½ months.	Free trade and ad valorem duties.	Ruinous.
1857	To decrease the revenue and still further satisfy the South .....	6 months..	Further decrease.	Bankruptcy.
1861	First Republican tariff for revenue and protection.	11 months.	Increase .....	Beneficial.
1861 1862 1863 1864 1865	To meet requirements of war.	Passed promptly.	General increase..	Do.
1867	To help wool and woolen in- dustries.	7 months..	Upward changes.	Do.
1870	To establish new industries, especially iron and steel.	4 months..	\$28 per ton on steel rails.	Do.
1872	To conciliate "reformers."	3 months..	10 per cent re- duction.	Injurious.
1875	To correct act of 1872....	1 month...	Repeal of 10 per cent reduction.	Beneficial.
1888	To conciliate revisionists..	2 months..	Reduction and increased free list.	Injurious.
1890	To meet existing conditions.	5½ months.	Increase and spe- cific rates.	Beneficial.
1894	To try free trade.....	8 months..	Large reduction, free wool, etc..	Ruinous.
1897	To provide revenue and to protect our failing indus- tries.	5 months..	Substantial in- crease.	Beneficial.

\* This is the time of actual debate and passage, exclusive of time spent in agitation, hearings, and preparation.



The tenets of the Democratic party being to the effect that a tariff should be for revenue only, while many of the leading Democrats advocate absolute free trade, it is not difficult to draw the line between the two parties and foretell what would be the result of a change in our system, which has been so successful, so thoroughly tried, and so fully vindicated. Every prominent industrial country on earth except one has resorted to the protection of their labor and industries, and it is thought that within a few years even Great Britain, the only free trade country on earth of any importance, will change her fiscal policy and again adopt the system of protection. It would be folly then for the United States to abandon a system under which she has thrived to an unparalleled degree and adopt a system discarded by practically every other nation and competitor in the world's markets.

Perhaps the most persistent complaint made against the protective tariff is the cry that the tariff is the "Mother of Trusts," to use the careless words of a departed monopolist.

Trusts, however, are not a product confined to the United States or to protective countries, as Free Trade England is covered with them from one end of the country to the other; in fact, they were in force there long before they were in the United States. There may be combinations of capital or labor and associations of corporations and communities of interests that are for the best interest of all concerned, and there may be those which are inimical to the welfare of a part of the people and which give advantage to another part. The question must be studied and considered and handled entirely apart from the tariff.

Regarding the charge that under our protective system our manufacturers are selling goods abroad cheaper than at home, it may be said that this universal principle of business, of production, and markets, is indulged in to a far less degree in the United States than abroad, and at no time to the injury of the American laborer. We also sell many things abroad at a larger price than we do at home. We sell things according to the markets, according to prices, according to supply and demand, according to the universal principle of competition, but always to the advantage of the American laborer, who reaps a higher reward for his labor than can be found elsewhere on the face of the earth. While it is possible that a fraction of 1 per cent of our goods sold abroad now may be at a price less than at home, it can be stated without fear of successful contradiction, that under free trade we would lose our splendid home market and be obliged to seek foreign markets in competition with the cheap labor of the world, without profit to our manufacturers or suitable wages to our workmen.

The export discount bugbear does not any longer deceive the American laborer, for the American voter and the American workingman prefers to see our factories running 12 months a year instead of being shut down for two or three months, and a stock of surplus goods piled up in warehouse. These two principal objections that the Democrats make to the operation of our protective system, viz, that it fosters trusts and enables us to maintain profitable prices at home, have been shattered time and time again. Opposed to them are the many favorable and successful results which have come to our great country during the past half century, and particularly during the last decade under the operation of a fiscal system which limits the importation of competitive products to displace the goods that should be manufactured by our own people.

Of the many satisfactory reasons for maintaining a protective tariff, the greatest of course will be that of the high wages insured to the American workingman. Tables showing the wages of labor in the United States and other countries are published on another page of this volume, though these are scarcely required since there is not an intelligent man living to-day who does not know that the American workman gets two and three times, and even quadruple the wages of low tariff countries. There is no man but who knows that the standard of living of the American laborer is higher than in any other country, that he not only gets more money in



wages, but far more comforts at home, that his family is better housed, better fed, better clothed, better educated, enjoys more of the conveniences and comforts and luxuries of life than is ever dreamed of by the average laborer of Europe. So long as the Republican party remains in power there will be no abandonment of an industrial system made possible by tariff law that will maintain this standard of living to the American workmen.

Another reason why we should continue our tariff on protective lines is that it gives us a surplus in the Treasury. Under the operation of the Dingley law, since the Spanish war our receipts have exceeded our expenditures by nearly \$300,000,000. It is possible that a deficit may come for a single year or two, due to a temporary depression in business or to extraordinary expenditures, but this will undoubtedly adjust itself and with a large surplus for just such an emergency, there need be no alarm, because in a single year or even a two year period the expenditures may exceed our receipts. Our government receipts consist almost wholly of customs duties and the so-called internal revenue, and this internal revenue must depend largely upon the prosperity of the people, upon their purchasing power; and being derived almost wholly from a tax upon luxuries, it must depend almost as wholly upon a surplus wage fund maintained over the expenditures for the necessities of life. The internal revenue then is most directly associated with the tariff, for the reason that if duties are lowered and foreign goods are allowed to come into the country, displacing American products and making idle American workmen, the internal revenue will immediately fall off in proportion. As regards the claim which the Democrats and free traders advance, that a lowering of duties will result in increased importations and increased revenue, the opposite has always been shown to be the result. Although for a time the purchase of foreign goods might increase, yet when the people become impoverished from lack of work and lack of wages, their purchasing power is reduced, no matter how cheap the articles may be. Protection then insures adequate revenue, without resorting to direct taxation, which has always been obnoxious to the American people, and which will not be resorted to unless to meet the exigencies of war.

Another argument which the Free Traders and Democrats are delighted to indulge in has been that if we do not buy we cannot sell. In the eleven years of the Dingley tariff our sales abroad have practically doubled and we are to-day in the first rank as an exporting nation, and during this time our favorable balance of trade has exceeded four billion dollars. These foreign markets which we have been gaining against the competition of the great industrial nations of the earth, we have gained without sacrificing any portion whatever of our splendid home market, which is the envy of the civilized world.

The tariff planks of the Republican and Democratic platforms since 1856 are printed on another page of this volume, as shown by the index.

Following these various changes the general statement can be made that whenever in our history the tariff has been reduced in whole or in part, a business depression has followed, and in many cases most severe commercial and industrial panics. The general statement can also be made that in every instance where the tariff has been increased, or a higher duty placed upon any article, prosperity has followed in general throughout the country, and the particular article or class of articles to which protection was given or upon which the protection was increased showed a most substantial advancement. Besides the general revision shown in the preceding table there have been at various times changes in our tariff schedules, not affecting the entire list of articles. The various tariff laws are shown in detail in the following table:

#### Our Principal Tariff Laws.

Date of such act.	Character of the bill and other remarks.
1789, July 4....	Specific and ad valorem rates, latter from 5 to 15 per cent.
1790, August 10..	Specific and ad valorem rates, latter from 3 to 15½ per cent.

Date of such act.	Character of the bill and other remarks.
1791, March 3....	This act only affected "spirits" paying specific duties.
1792, May 2.....	Specific and ad valorem rates, latter from 7½ to 15 per cent.
1794, June 7.....	Specific and ad valorem rates, latter from 10 to 20 per cent.
1795, January 29.	This act affected but few articles paying specific and ad valorem rates.
1797, March 3....	This act affected but few articles paying specific and ad valorem rates.
1797, July 8.....	This act only affected salt paying a specific duty.
1800, May 13....	This act affected but few articles paying specific and ad valorem rates.
1804, March 26..	This act, commonly called "Mediterranean fund," imposing an additional duty of 2½ per cent in addition to the duties now imposed by law.
1804, March 27..	This act affected but few articles paying specific rates.
1812, July 1....	This act imposed DOUBLE DUTIES, known as WAR DUTIES.
1813, July 29....	This act only affected salt paying a specific duty.
1816, February 5.	This act continued the double duties to 30th of June, 1817.
1816, April 27...	Specific minimum and ad valorem rates, latter from 7½ to 30 per cent.
1818, April 20...	This act affected but few articles paying specific rates.
1819, March 3...	This act only affected "wines" paying specific rates.
1824, May 22....	Specific, minimum, compound, and ad valorem. latter from 12 to 50 per cent, the first really Protective tariff. Results were most beneficial.
1828, May 19....	Known as the Tariff of Abominations. Specific, minimum, compound and ad valorem, latter from 20 to 50 per cent.
1828, May 24....	This act only affected "wines" paying specific rates.
1830, May 20....	This act only affected "coffee, tea, and cocoa," paying specific rates, and reducing the rates.
1830, May 29....	This act only affected "molasses" paying specific rates.
1830, May 29....	This act only affected "salt" paying specific rates.
1832, July 13....	This act only affected "wines of France" paying specific rates.
1832, July 14....	Specific, minimum, compound, and ad valorem, the latter from 5 to 50 per cent.
1833, March 2...	Compromise act—looking to a reduction of duties to 20 per cent.
1841, Sept. 11...	Specific and ad valorem, latter from 12½ to 20 per cent.
1842, August 30.	Specific, minimum, compound, and ad valorem, the latter from 1 to 50 per cent.
1846, July 30...	The rates of duty imposed by this act were exclusively ad valorem, and arranged by schedules.
1857, March 3..	A further reduction of rates which were exclusively ad valorem, arranged by schedules.
1861, March 2...	Went into effect April 12, 1861. Intended to raise the necessary revenue for the Government expenditures and afford Protection to our labor and industries.
1861, August 5...	First of the war tariffs, large increase in duties.
1861, Dec. 24...	Duties increased on sugar, tea, and coffee.

Date of such act.	Character of the bill and other remarks.
1862, July 14....	Went into effect August 2, 1862. Further increase of rates.
1863, March 3; 1864, April 20, June 30; 1865, March 5; 1866, March 15, July 28 .....	Bills changing and generally increasing duties.
1867, March 2...	
1870, July 14, December 20...	Rates increased on wool and woollens, giving great benefit to those industries.
1872, May 1.....	General changes. Free list largely reduced. Duty of \$28 per ton on steel rails.
1872, June 6.....	Tea and coffee made free.
1872, June 6.....	Went into effect August 1, 1872. Reduction of 10 per cent. Increased free list.
1875, February 8.	Revised statute, with slight and unimportant changes.
1874, June 22....	Known as the "Little Tariff Bill." General changes.
1875, March 3...	Rates increased on sugar. Repeal of the 10 per cent reduction of Act of June 6, 1872.
1879, July 1....	Quinine made free.
1880, July 14...	A few unimportant changes.
1882, May 6 and December 3...	Repeals discriminating duty.
1883, March 3...	Went into effect July 1, 1883. Known as the Tariff Commission Bill. General revision, reduction and increased free list. Severe blow to wool industry.
1890, October 1.	Went into effect October 6, 1890. Known as the McKinley Bill. Changes from ad valorem to specific rates. Enlarged free list. Sugar made free, a bounty being substituted. Reciprocity law.
1894, August 27.	Known as the Gorman-Wilson Bill. Became a law without the President's signature. General reduction of duties. Wool put on free list. Results, both anticipatory and actual, were disastrous to all industry and labor.
1897, July 24...	Known as the Dingley Law and still in operation unchanged. The most perfect and successful tariff law ever enacted. Has brought unprecedented prosperity.

It will be seen from the above table that the present law has been in operation unchanged longer than any other tariff law in our history, and while many favor continuing the law unchanged for the present, still there is such a general demand for re-adjustment of schedules to meet changed conditions in our industrial world that it is conceded on all sides that general revision will be made in the near future. In fact, anticipating such revision both Houses of Congress have asked and received authority to secure information looking to the preparation of a new law.

In the Senate, on May 16, Mr. Aldrich, from the Committee on Finance, reported the following resolution, which was considered by unanimous consent and agreed to: "Resolved, That the Committee on Finance is authorized, in connection with investigations heretofore ordered by the Senate, with the view of promptly securing the information necessary for an intelligent revision of the customs laws of the United States, to call to their assistance experts in the Executive Departments of the Government and to employ such other assistants as they shall require; and they are especially directed to report what further legislation is necessary to secure equitable treatment for the agricultural and other products of the United States in foreign countries; and they shall also, in the consideration of changes of rates, secure proof of the relative cost of production in this and in principal competing foreign countries of



the various articles affected by the tariff upon which changes in rates of duty are desirable."

In the House, on May 16, Mr. Payne, from the Committee on Ways and Means, moved the passage of the following tariff resolution: "Resolved, That the Committee on Ways and Means is authorized to sit during the recess of Congress and to gather such information, through Government agents or otherwise, as to it may seem fit looking toward the preparation of a bill for the revision of the tariff; and said committee is authorized to purchase such books and to have such printing and binding done as it shall require, and, in addition to requiring the attendance of the committee stenographers, is authorized to employ an additional stenographer, and to incur such other expenses as may be deemed necessary by said committee; and all the expenses of said committee shall be paid out of the contingent fund of the House on the usual vouchers, approved as now provided by law." The resolution was agreed to by a strict party vote of 154 yeas to 92 nays.

The platform adopted at Chicago by the National Republican Convention and the pledge made in the tariff plank will be faithfully kept by those selected to make our laws, in the next session of the 60th Congress or in the first session of the 61st Congress; but in the light of history and with the experience we have had for 120 years, and the record of the Republican party on this subject, there can be no doubt that the new tariff will be a measure fully protective in principle and framed with a view to meet the requirements on an equitable basis of every section, every class, and every industry.

#### **Cause of the Growth of Protection Sentiment at Home and Abroad.**

The primary idea in levying a tax upon merchandise entering a community or State was to require persons from abroad trading in that community to bear their proper share in the public expenditures. The tranquillity and order of the community, and hence its commercial possibilities, were maintained by the government, for whose support the local producers and merchants were taxed, and it was held that merchants from abroad desiring to enjoy the privilege of trading in that community should contribute their proper share to the maintenance of the government, which assured commercial privileges, and that they should contribute a relatively larger percentage of the value of the merchandise sold than was required of the local dealer, because the foreign merchant carried away with him his profits, while the domestic producer or dealer expended his profits in the home community in the support of his family or in the employment of other members of the community. Hence the tariff—a tax upon merchandise entering a community from abroad.

#### **Danger from Outside Competition Constantly Increasing.**

Originally the danger to domestic industries from foreign competition was much less than at the present time. Merchandise brought into any country from abroad must first bear the cost of transportation, and in times when the cost of transportation was great, and when goods were necessarily transported by animal power and by sailing vessels only, this high cost of carriage was of itself a protection to the domestic producer in any country. True, the producer of merchandise just across the border line of a country had an enormous advantage over the producer a thousand or five thousand miles distant, but as only a small proportion of the producers were located near to the border line such countries did not find it necessary to establish high tariffs to protect their own producers or manufacturers. The distance which foreign goods must be carried and the cost of transportation over that distance alone serve to create a protective wall for the domestic producer. In late years these conditions of distance and transportation have absolutely changed. The railroad and the modern steamship have reduced the cost of transportation compared with that in the early part or even in the middle of the century just ended; while the telegraph and the telephone have annihilated distance and time.

Merchandise from the interior of Europe, ordered by telephone, telegraph, and cable, transported from its place of production by trolley road, canalized rivers, or boats operated by steam or electricity, or by railway to the Atlantic, and thence by great steamships, built to carry hundreds of carloads at a single voyage, across the ocean, and again transported to the interior of the United States by the cheapest land transportation ever known to man, can be placed at the door of the consumer in the Mississippi Valley for a very small percentage of the cost of transporting the same at the middle of the last century.

#### **Cheap Freights Have Destroyed Natural Protection.**

As a result the protection which distance and the cost of transportation afforded to the local producer has disappeared, and without a protective tariff, established by the Government, he has as his direct competitor the low-priced labor of any and every part of the world. The cheap labor of the densely populated countries of Europe, the 140 million low-priced workers of Russia, the 300 million people of India, whose average wage is but a few cents per day, and the 400 million workers of China are to day as much the competitors of the workman of the United States as though they were located but just across the border. Modern methods of transportation and communication have brought these great masses of producers to our very doors, and without the protection which the tariff affords would place that cheap labor in as close competition with our own as it would have been a half century ago if located but a hundred miles away.

As an example of the reduction in cost of transportation may be cited the fact that the annual average freight rate on wheat from Chicago to Liverpool, by the cheapest method of transportation, in 1873 was 40 cents per bushel and in 1903 8 cents per bushel, or but one-fifth that of only 30 years earlier. Comparing conditions now with those of the early part of the last century the reduction is still greater, and the cost of transportation at the present time may safely be said to be less than one-tenth of that then existing. An illustration of the reduction in cost of transportation through modern methods is found in the fact that the census of 1880 showed that the railways could transport a ton of wheat for a given distance as cheaply as a single bushel could be transported the same distance by horse power, and railway rates have fallen practically one-half since that time. That high authority the Encyclopedia Britannica states in its 1903 edition that the mechanic in Liverpool *may now pay with one day's wages the entire cost of transporting a year's supply of bread and meat for one man from Chicago to that city.*

These facts illustrate how completely modern methods have destroyed the protection which the local producer formerly had against foreign competitors, and explain the reason why modern governments have found it necessary, one by one, to adopt the protective system, until now many men in the most ardent and chief remaining supporter of the nonprotective system, the United Kingdom, are seriously discussing the adoption of a protective tariff. This gradual destruction of the natural protection formerly afforded by distance and cost of transportation accounts for the fact that it has been found necessary to maintain the protective tariff on the various industries as they have developed, and that this necessity for maintaining protection for those industries has meantime been recognized by all other leading manufacturing countries of the world whose industries were developed even before those of the United States, except in the case of the United Kingdom, whose people are now clamoring for a return to protection of their long established domestic industries. This reduction in cost of transportation is indeed one of the chief causes of the steady movement toward protection which has characterized the history of the world during the last half century. The fact that, with improved methods of transportation and a narrowing of distances and cheapening of cost of transportation, the whole world has become the next-door neighbor of each community



has compelled that community to establish tariff duties of a character which would reduce the competition offered by the cheap labor of those communities against which distance no longer affords protection.

Practically all of the 500,000 miles of railway and 16 million tons of steamship tonnage with which the world is now supplied have been created since the middle of last century; the world's international commerce has quadrupled while the world's population was increasing but 50 per cent, and during that very period the nations of the world have one by one found it necessary to establish tariff protection to take the place of that protection which distance and high cost of transportation formerly afforded.

#### **Trusts Have Long Flourished in Free Trade England.**

No one familiar with the history of trusts and great combinations in other parts of the world can for a moment accept as accurate the assertion that the tariff is responsible for the existence of organizations of this general character, whether under the title of trusts or otherwise. Mr. Blaine, in 1888, on returning from a visit to Europe, declared in his speech opening the Presidential campaign of that year that trusts and combinations to control prices even at that early date existed in free-trade England in large numbers; or, as Senator Dolliver has recently expressed it, "England was even then plastered all over with trusts." In October, 1895, a steel-rail trust which embraced the steel-rail manufacturers of Great Britain was organized, and on February 5, 1896, the London Ironmonger announced the details of its agreement, the chief among them being that "there is to be no underselling." In 1895 the Sheffield Telegraph published the draft of a scheme proposing the combination of 200 iron firms in the various cities of England for the purpose of regulating the prices of all classes of iron. In 1897 the details of the combination between the great armament manufacturing firms were announced. Some of the great combinations in England for the control of prices of articles in common use were organized as early as 1890, among them the following: The Salt Union, Limited, with a capital of \$10,000,000; in the same year, the Alkali Company, combining 43 manufacturing establishments, with a capital of \$30,000,000; the J. & P. Coates Company, thread manufacturers, in 1896, a combination of four businesses with a capital of \$27,000,000; another cotton thread organization, a year later, combining 15 manufacturing establishments with a capital of \$14,000,000; a combination of cotton spinners in 1898, combining 31 establishments with a capital of \$30,000,000; in the same year a combination of the dyeing interests, combining 22 establishments with a capital of \$22,000,000; also in the same year a combination of the Yorkshire Wool Combers, combining 38 establishments with a capital of \$12,000,000; also in 1898 a combination of 60 calico printing establishments with a capital of \$46,000,000; in 1900 a combination of 28 wall paper manufacturers with a capital of \$21,000,000, and in the same year a combination of 46 establishments of cotton and wool dyeing organizations with a capital of \$15,000,000. In the decade 1890-1900 the public announcements of combinations in free-trade England included 328 different business concerns amalgamated into 15 great organizations with a total capital of \$230,000,000, while a very large number of minor organizations and those which were not made public should be added to the list to render it complete. Many great combinations have been organized in free-trade England since 1900, but this history of the decade in which great combinations of capital of this character have been common in all parts of the world where manufacturing capital is plentiful is sufficient to show that such combinations and organizations are not confined to protection countries, but on the contrary flourish with equal vigor in the one free-trade country of the world in which a sufficient amount of capital exists to justify the organization of combinations of this kind.



**Export Price Reduction in Free Trade England.**

Exportation at prices below those of the home market is not in any sense the result of or accomplished by the aid of a protective tariff. It is practiced more freely in free trade Great Britain than in any other country. United States Consul Rufus Fleming, writing from his post in Edinburgh, Scotland, in an official report on this subject says:

"It is the policy of British manufacturers to maintain prices in the home market at the highest possible level and to make whatever concessions may be necessary in foreign markets," said the managing director of a leading British metal-working company to me. He referred to the industries in general, excepting such as are based largely upon the manufacture of low-grade goods for the foreign trade. There can be no doubt that this manufacturer spoke with full knowledge of the subject. His opinion is corroborated by investigation in various departments of production. *Cutting prices in foreign markets to meet competition, or to prevent competition, as the case may be, is a common practice*, the length to which it is carried depending altogether on circumstances, chiefly on stocks and labor conditions. When a considerable surplus remains on the hands of the producer the effort is to avoid overloading the home market and thus reducing the price of the bulk of the product to sell the surplus in foreign countries at the best price obtainable.

"At all times, even when great trade conditions at home and abroad are excellent, *it is the rule in British industries to quote lower prices to foreign buyers and British exporters than to the average domestic trader*. The difference in favor of the foreigner or exporter ranges from 4 to 6 per cent. The British maker of an important machine informs me that, although he has no competition, he quotes the machine to customers in Belgium and one or two other countries on the Continent at 15 per cent less than the price at which it is sold in this country. The reason is that these Belgian and other Continental firms will not pay more than a certain amount for it, and he comes to their terms in order to obviate the danger of competition arising from the invention and manufacture of a similar apparatus in Belgium or elsewhere. He told me that he would sell abroad, in the present state of trade, at any price he could get above cost. Another example of sales made in a foreign market at much below home prices has fallen *directly under my notice*. I have seen invoices of a British firm of steel wire manufacturers to German buyers in which the prices were fully 20½ per cent lower than the prices quoted to home customers. This reduction was not due to an extraordinary surplus, but principally to a determination to put a certain line of goods into a competitive market.

"There are few manufacturers whose business in foreign competitive markets is not regularly conducted on the plan of getting the goods off their hands at a profit if possible *and at cost if necessary*. It may be doubted if price lists and discount sheets are anything more, outside of the home market, than aids to bargaining, except in seasons of very marked activity at home. In most trades the one fixed purpose is to not reduce prices to British consumers until forced to do so. As one manufacturer expressed it to me, 'This is the very root of success in all commercial business—to hold what you have and gain what you can.'

"Overproduction is an evil no less frequently observed in Great Britain than in Germany and the United States. A well-known English writer on economic subjects, who belongs to the Manchester school, said to me in a recent conversation that it was distinctly true, as stated in one of his works on trade relations, that overproduction, although not (in his opinion) so widely diffused here as in the United States, was a difficult recurring factor in the commercial problem; that *the British manufacturer*, under such circumstances, recognizes the inadvisability of flooding his own markets with cheap commodities, which they will require time to digest, thus deferring the period when he can supply them again profitably, *and therefore*

he sells the surplus to foreign countries at a loss.' He added that 'there is scarcely a tariff wall in existence that the British manufacturer will not climb over at such times.'

"This political economist looks upon the foreign trade as distinct from the domestic trade, to be handled by each producer as circumstances seem to demand, especially in periods of over-production. To the same effect a prominent brewer, an ex-member of Parliament, said: 'I have been dumping ale and beer on foreign markets all my life whenever I have had a surplus. Practically every manufacturer in this country sells his goods abroad for the best price they will bring when his stock is too heavy to be unloaded at home in a reasonable time without breaking the market.' As I have before indicated, this statement of British commercial practice is, in my opinion, unquestionable."

United States Consul Samuel M. Taylor writes from Glasgow, Scotland: "Generally speaking, manufacturers of soft goods (cottons, etc.) have one price for domestic and export trade, and surplus stocks are avoided by limiting the output, even to the extent of closing the works. However, if there is a surplus, 'odds and ends,' it is exported at reduced prices. In the iron and steel trade, however, it is different. Manufactured steel for export is sold at from 5 to 10 per cent, less than for domestic use, and even at a greater reduction. In other words, the cost of transportation to a foreign country where competition is brisk is largely assumed by the British exporter or manufacturer by means of this reduction, and even England is treated as foreign by the Scotch manufacturer and gets reductions accordingly. The Scotch manufacturer neither expects nor receives the same profits on his exports to foreign countries that he obtains at home. The same statement applies largely to machinery. In Scotland a combination at present exists which fixes the price of steel plates for the whole of Scotland, but gives the members of the combination power to sell in other districts than Scotland at whatever prices they choose. In the coal trade, in the words of my informant, 'it is well recognized that foreign consumers can buy cheaper than home consumers, the reason being that colliery proprietors could not dispose of their product with the regularity and in the quantity necessary to maintain a large output unless they sold cheap and granted facilities to the foreigner.' "

#### Export Price Reduction in Foreign Countries.

Judge E. H. Gary, Chairman of the Board of Directors of the U. S. Steel Corporation, in a statement before the House Committee on Merchant Marine in April, 1906, said: "The Great Britain home price of rails is \$31.50 per ton and the export price of Great Britain is \$25, f. o. b. their mills. In Germany the home price is \$30 and the export price \$24; in France the home price is \$31 and the export price \$25.50; in Austria the home price is \$31 and the export price \$25.50; in Belgium the home price is \$30 and the export price \$24; in the United States the home price is \$28 and the export price about \$26.60. There is less margin in this country than anywhere else, and the home prices abroad, you will observe, are invariably larger than our home prices.

"Now, take structural material, including shapes, plates, bars, angles and tees. In Great Britain the home price is \$1.60 per 100 pounds and the export price \$1.35; in Germany the home price is \$1.50 and the export price \$1.25; in France the home price is \$1.65 and the export price \$1.35; in Austria the home price is \$1.50 and the export price \$1.35; in Belgium the home price is \$1.55 and the export price \$1.35; in the United States the home price is \$1.60 and the export price \$1.40. Our price of plates lately has slightly increased because of the demand. Our customers generally, however, are covered for the season at about \$1.40. These figures are taken from authoritative sources and I think there is no doubt that they are reliable. They are the figures upon which we are doing our business right along every day."

"If you did not have this avenue of export trade by which you could dispose of the surplus product which is in excess of



the domestic demand," said Representative Littlefield, "you would either have to stop producing and therefore lose the use of your mills and sustain a loss in that respect, or you would have to carry the surplus product on hand until the demand was created for it elsewhere?"

"Yes; but I do not think it would be practicable to manufacture and carry the surplus; it runs into money so fast. I think we would have to shut down our mills, and you know what that means in the disorganization of forces. So it really comes to this: That we would be obliged to increase the cost of manufacture if we could not run at full capacity. That would be the inevitable result."

#### English Attitude Towards Trusts.

The United States Industrial Commission made a thorough investigation of trusts and trust operations in foreign countries as well as in the United States in 1900, sending an expert (Prof. J. W. Jenks, of Cornell University) to the principal European countries and giving the subject much careful attention and study. The report stated that "there is a strong tendency toward the formation of industrial combinations everywhere in Europe," and of the situation in England says: "There were in earlier days very many local combinations to keep up prices, and in some cases these rings have proved very successful." Within the last three years a very active movement toward the concentration of industry into large single corporations, quite after the form that has been common in the United States, may be observed. Nearly all the feeling that one notes in England on this subject has reference to the later corporations formed by the buying up of many different establishments in the same line of business—corporations that through combination have succeeded in acquiring in many particulars a good degree of monopolistic control. \* \* \* Industrial combinations in Europe do not seem to have awakened the hostility in any country that is met with in the United States. In England one finds in the papers a little expression of fear of the newer large corporations. The Government has taken no action whatever regarding them further than to pass, August 8, 1900, an amendment to the Companies Act, which provides for greater publicity regarding the promotion and the annual business of corporations than before. \* \* \* There is, relatively speaking, little objection to combinations in Europe, and in some cases the governments and people seem to believe that they are needed to meet modern industrial conditions. They do believe that they should be carefully supervised by the Government and, if necessary, controlled. \* \* \* The great degree of publicity in the organization of corporations has largely prevented these evils arising from stock watering, and has evidently had much effect in keeping prices steady and reasonable and in keeping wages steady and just. There seems to be no inclination toward the passage of laws that shall attempt to kill the combinations. This is believed to be impossible and unwise. Laws should attempt only to control, and that, apparently, chiefly through publicity, though the governments may be given restrictive power in exceptional cases."

#### Effect of Protection on Export Trade.

One of the assertions made and offered as an argument against protection is that high tariffs established by a country lead other countries to discriminate against the products of that protection country and exclude them from their markets, either by adverse legislation or otherwise. Let us see about this. "The proof of the pudding is in the eating." The proof of the effect of protective tariffs upon the export trade of the countries having such protection is found in the measure of the actual growth of their exports as compared with the growth of countries not having a protective tariff and offering in the world's markets the same class of goods as those offered by the protection country. The United States Bureau of Statistics has recently published a Statistical Abstract of the World, which



gives the exports of domestic products by each of the principal countries of the world during a long term of years. It is easy, then, to compare the growth in exports by the countries having a protective tariff with that of the single remaining nonprotected country—the United Kingdom. The two most strongly marked examples of protective tariff countries are Germany and the United States, and the chief free-trade country of the world is the United Kingdom. These three countries are also especially suitable for contrast in the effects of their respective tariff policies upon their export trade by reason of the fact that they are the chief competitors for the great markets of the world and the only countries of the world whose annual exports reach or pass the billion dollar line, each of these countries exporting annually more than one billion dollars' worth of merchandise, while no other country of the world has ever exported so much as one billion dollars' value of domestic products in a single year. Let us see, then, what the effect of protection has been upon sales abroad by the United States and Germany, the world's most conspicuous examples of protective-tariff countries, as compared with the effect of free trade upon exports from the United Kingdom, the world's most marked example of low-tariff countries. The Statistical Abstract, above referred to, compiled from the official figures of the countries in question and issued by the Bureau of Statistics, shows that the exports of domestic products from free-trade United Kingdom grew from 1,085 million dollars in 1880 to 1,828 millions in 1906, an increase of less than 70 per cent; while those from protection Germany grew from 688 millions in 1880 to 1,364 millions in 1905, an increase of over 100 per cent; and those from protection United States grew from 824 millions in 1880 to 1,854 millions in 1907, an increase of 125 per cent. This certainly does not justify the assertion that other countries discriminate against and reject the merchandise of the country having protective tariff laws and favor that of countries having free trade.

While of course the general law of supply and demand influences in a greater or less degree the volume of exports from year to year, the experiences above cited are sufficient to clearly indicate that the existence of a protective duty on imports does not result in an exclusion of our exports by other countries, since our exports have increased enormously during the operation of protective tariff laws.

#### Exports Under the United States Tariff.

Another and even more striking illustration of the growth of exports under low tariff and protection, respectively, is found in a study of the detailed history of the tariffs and export trade of the United States. The only protective tariffs which the United States had prior to 1861 operated during the years 1813-16, 1825-33, and 1843-46, an aggregate of 17 years prior to 1861. Since that time protective tariffs have covered the years 1861-90 and 1897-1908, making the total of the period covered by protective tariffs 62 years, against 57 years of low tariff, counting the formative period from 1790 to 1812 as low tariff. Thus the history of the United States under the Constitution is about evenly divided between protective tariff and low tariff. Now, let us see the result in its effect upon our exports during those two great periods of protection and low tariff—62 years of protection and 57 years of low tariff. During the 57 years of low tariff the *imports* exceeded the exports by \$514,954,931; during the 62 years of protective tariffs the *exports* exceeded the imports by over 5 billion dollars. These statements are compiled from official reports of the United States Bureau of Statistics and their accuracy can not be called into question. Does this look as though protective tariffs had the effect of reducing or destroying the export trade?

#### Is There Danger of European Combinations Against the United States on Account of Our Tariff?

Statements have been made from time to time that European countries were likely, by reason of the high protective tariff in the United States, to enter into an agreement for the exclusion

of our products from their markets. This assertion has been made over and over again for years, but more especially in comparatively recent years. But such action seems highly improbable for the following reasons: 1. The countries in which these threats of retaliation are most frequently heard are themselves, in all cases except the United Kingdom, protective-tariff countries, and it is unlikely that they would seriously and through official action complain of a protective tariff established in any other country. 2. The European countries can not afford to exclude our staple products, which are required in such large quantities by their people and which would advance in price in their markets if the supply from the world's largest producer were cut off. 3. The exclusion of these necessary products from the United States would necessitate their importation from other countries, and by reducing the supplies in these other countries would make markets for our products in those countries drawn upon or in other countries from which they had been accustomed to draw their supplies. 4. Experiments of this kind for the exclusion of our meats from certain European countries have not resulted in a reduction of our total exports of meats and other provisions. 5. The countries which have complained most bitterly of the tariff of the United States have steadily and rapidly increased their importations of our products meantime. 6. During the very period in which the talk of exclusion from European countries of American manufactures have been made, our exports of manufactures to those countries have most rapidly increased.

As to the first proposition, it is from the European countries that the threats of retaliation against the protective-tariff laws of the United States are most frequently heard. Yet all of the leading countries of Europe, with the exception of the United Kingdom, have within comparatively recent years adopted protective-tariff systems and in most cases are now increasing or proposing to increase their rates of duty for the avowed purpose of making their tariffs more thoroughly protective. In the case of the United Kingdom, the only European country of importance not having a protective tariff, the adoption of a protective system is being strongly urged. It seems highly improbable that a country officially adopting a tariff system with the explicit purpose of protecting its own industries would complain of like action on the part of any other country, even if the rates which that country imposes were higher than those which it imposes.

#### **Retaliation a Boomerang.**

The European countries in question are large consumers of the great products of the United States—cotton, wheat, corn, meats, and other forms of provisions—as well as of manufactures. The United States is the world's largest producer of every one of these articles. She produces three-fourths of the cotton of the world; three-fourths of its corn; three-fifths of the wheat entering the European markets from extra-European countries; and two-fifths of the meats which enter into international commerce. The European countries, with possibly one or two exceptions, do not produce a sufficient supply of these articles for their respective home markets. They must buy them in large quantities from some other part of the world. One important effect of excluding from their markets the products of the world's principal source of these various articles must be to increase in their home markets the prices of those articles. If through concerted action by these countries three-fourths of the world's supply of cotton (produced in the United States) were excluded from their markets naturally the price for the remaining one-fourth of the world's cotton, wherever produced, would advance greatly, and this principle would apply in the exclusion of any of the great products of which the United States exports a sufficiently large percentage to make absence of its product a factor in determining prices. Imagine the effect upon the price of wheat if three-fifths of the extra-European supply for European markets were destroyed in a single hour or day. Imagine the effect upon prices of meats if 40 per cent of the world's available supply for the international trade were wiped



out of existence. Note the effect upon the price of cotton due to a small shortage in the crop of the United States, and consider what would be the effect if all of the cotton supply of the United States—three-fourths of that which the world produces—were shut out of the markets demanding that cotton.

Even if certain countries were to exclude the great products of the United States from their markets they would be compelled to draw their supply from some other country or countries, and the products of the United States would find her markets in those countries thus drawn upon or in the countries to which they had formerly furnished their surplus. The world's production of the requirements of man—cotton, corn, wheat, provisions—is no more than the quantity required by the various parts of the world which are now brought into such close commercial relationship by reason of cheap transportation, and if through the exclusion of our products from certain countries the products of other countries were drawn upon to supply those markets our products would in turn find a sale in the other parts of the world thus affected by that change in supply. These great requirements of man for food and clothing, demanded as they are in every part of the world, and easily transported to any given spot, like water, seek their level, and the exclusion of our products from one country or group of countries would simply result in their finding markets in the spot from which those consuming countries might draw their supply.

#### Results of Experiments in Retaliation.

Certain experiments in the exclusion or attempt to exclude American products have been made in European countries during the past twenty years, and the effect of those experiments upon our sales of the articles in question is worth noting. Beginning about twenty years ago certain of the European countries began the exclusion of certain classes of meats from the United States, charging that they were dangerous to public health by reason of the presence of trichinæ in hogs, Texas fever and other diseases in cattle, and upon other but somewhat similar grounds. These rulings or legislation against American meats extended from country to country upon various pretexts during a series of years down to a very recent date, proving in each case more or less a barrier against the meat products of the United States. They resulted in some cases in more stringent export regulations by the United States, and in some cases in a modification of the legislation or regulations in the country of importation, and the net result has been a steady growth in the exportation of provisions from the United States during the very period in question. The total value of provisions and animals for food exported from the United States in 1880, the approximate date at which this adverse movement against provisions from the United States began, was 130 million dollars, and 237 millions in 1907, a growth of more than 100 million dollars in exports of provisions and live animals for food purposes during the very period in question, and a very large proportion of this growth was in exports of those articles to European countries.

Another evidence of the indisposition of other countries to attempt to exclude the required products of the United States from their markets is found in the fact that although a dozen of the great countries of the world simultaneously protested against the Dingley tariff act, no one of those countries excluded any of the products of the United States following the enactment of that law or even reduced by a single dollar the value of their purchases from this country. These protests, while not a joint action, and while relating in some cases to different features of the act from those complained of by other protesting countries, were practically simultaneous, and as the passage of the act without recognition of their protest was a simultaneous rejection by the United States of those protests, the occurrence offered to them a special and unique opportunity for combined action in excluding our products from their markets. Yet not a single one of those countries took such action, and in no case did they reduce their purchases from the United States. On the contrary, our exports to every one of the 12



countries have increased. Our exports to the 12 countries which protested against the act in question were in 1896 \$618,688,000, and in 1907 \$1,220,000,000, an increase of about 100 per cent as compared with 1896, the year prior to that in which these protests were made. (See table of countries protesting against Dingley law, and exports to them.)

Besides, the complete power of the United States to protect itself against retaliation must not be overlooked. The only countries from which there could be any possibility of danger are the leading industrial and commercial nations of Europe. Their policy is protective, so is ours. But if they are compelled to buy largely of our products from necessity, we buy largely of theirs from choice. We are among their best customers. What they buy of us are necessities; what we buy of them are chiefly luxuries. If they were to proscribe our products we could more easily proscribe theirs. So long as we maintain the protective policy we can defend ourselves; the more we advance towards free trade the fewer weapons of defense we hold.

Thus, both the logic of the situation and our actual experience with adverse legislation and threats of such legislation fail to justify the assertion that our products of any class are being excluded or are likely to be excluded from the markets of other countries by reason of our protective tariff.

#### **Our Exports of Manufactures Gain More Rapidly than those of Natural Products.**

To the argument that the world must have our natural products and hence our freedom from danger of adverse combinations against them an answer might be made that our chief concern is in the exports of manufactures. True, but has the existence of our protective tariff affected adversely our exports of manufactures? The exports of manufactures in the fiscal year 1897, the last year under the low tariff Wilson law, were 311 million dollars; in 1907 they were 740 million dollars, an increase of about 150 per cent. During that same period the exports of all articles other than manufactures increased from 721 millions in 1897 to 1,114 millions in 1907, an increase of about 50 per cent. Thus our exports of manufactures have increased about 150 per cent and those of all other articles about 50 per cent during the existence of the highly protective Dingley law.

#### **Protective Tariff as a Revenue Producer.**

In the matter of revenue the contrast between low and protective tariff is equally striking. In the 57 years of low tariff no less than 22 of the total showed an excess of expenditures over receipts by the Government; while in the 62 years of protective tariffs 46 of the total showed an excess of receipts over expenditures. Of the 16 years under protective tariffs in which the expenditures exceeded the revenues no less than nine were war periods, when, necessarily, expenditures exceeded receipts from ordinary sources, while in only two of the years in which deficits occurred under low tariffs could that deficiency be charged to war conditions. The war of 1812-14, the civil war, and the war with Spain all occurred during protective-tariff periods; while the war with Mexico occurred during a low-tariff period. (See statement and table on this subject on another page of this volume.)

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#### **TARIFF AGREEMENT WITH GERMANY, JULY 1, 1907.**

In 1906, a new tariff went into operation in the German Empire, constructed in accordance with the modern European method of tariff making. It consists of a so-called "general" or "autonomous" tariff, which is applied to imports from countries which have no commercial treaties with Germany, and a "conventional" tariff, comprising the reduced tariff rates which are granted to nations with whom such treaties are negotiated. The rates of duty imposed by the general tariff are much higher —

in many cases more than double—the “conventional” duties. In accordance with the terms of this tariff, Germany has negotiated reciprocity treaties with some ten European nations, and it is her intention to negotiate similar treaties with every nation in the world with which she has a commerce of any importance.

By the terms of her tariff act, the higher rates of duties would have automatically applied to all dutiable goods imported from the United States into Germany after March 1, 1906. The attention of the United States Government was drawn to this fact by a diplomatic note from the German ambassador, dated November 4, 1905, accompanied by a friendly expression of the desire of the German government to enter into a commercial arrangement with the United States under which the same treatment would be accorded to her exports to Germany as to those from other countries with which she had commercial treaties. As a result of the correspondence that ensued, a “Provisorium” was agreed to, and subsequently ratified by the German Reichstag, by the terms of which the application of the higher German tariff rates to American goods was postponed for one year and four months, pending the formal negotiation of a commercial agreement between the two countries.

To arrange the details of such an agreement, the President sent a tariff commission to Germany in November, 1906, consisting of S. N. D. North, Director of the Census; James L. Gerry, Chief of the Customs Division of the Treasury Department, and N. I. Stone, tariff expert of the Department of Commerce and Labor. This commission spent two months in Berlin in daily conference with a commission of twelve experts designated by the various departments of the German government. It brought back two tentative plans for the adjustment of the tariff differences between the two nations. One was a complete reciprocity treaty, framed in accordance with the terms of the German treaties with other countries. The alternative proposition, which was temporary in character, was signed by the President, June 1, 1907, and was subsequently ratified by the German Reichstag. Under its terms it remains in effect from July 1, 1907, until June 30, 1908, and thereafter for six months from the date upon which either nation shall have given notice of its intention to terminate the agreement. In other words, the agreement may continue indefinitely, while it is at the same time within the power of either nation, in the event that it does not operate to its satisfaction, to terminate it upon six months' notice.

Under the agreement about 95 per cent of the United States exports to Germany retain the benefit of the minimum tariff thereon. The articles affected include cereals, fruits, and other farm products, meats, lumber, boots and shoes, all sorts of manufactures of leather, paper, glass, iron and steel, all forms of electrical appliances, agricultural implements, machinery, arms, watches, etc.

It remains to summarize the concessions which the United States has granted in return. The agreement was negotiated under the provision of section 3 of the tariff act of 1897. Under a prior agreement with Germany, that country received all the concessions in the way of reduced duties permitted under this section, except the remission of 20 per cent of the duty on champagne. Champagne is a product of France, and not to any extent of Germany. The German manufacture of sparkling wines is insignificant and the concession to Germany, permissible under this item, only served the purpose of the basis upon which to hang certain modifications in the Treasury and Consular Regulations for the administration of our customs laws, as follows: That in all reappraisement cases the hearings shall be open unless the appraisers shall certify to the Secretary of the Treasury that the public interests will suffer thereby; that the “market value” of imported goods, whenever such goods are made and sold wholly for export, so that there can exist no domestic value established by sale, shall be the export price of the goods in question; that certificates of invoices issued by the German chambers of commerce, which are conducted under the supervision of the German government, shall be accepted by our appraisers as “competent evidence” (not necessarily con-



clusive), and considered in connection with all other evidence, whenever the appraisement of goods imported from Germany is under consideration; that all agents of the United States government sent to Germany in connection with the administration of the customs tariff shall be duly accredited to the German government, and certain other minor modifications in the consular regulations, the effect of which is to save exporters to the United States from personal appearance, duplicate invoices, etc.

### Production and Prices of Bessemer Steel Rails in the United States.

The following table gives the annual production in gross tons of Bessemer steel rails in the United States from 1867 to 1907, together with their average annual price at the works in Pennsylvania, and the rates of duty imposed by our Government at various periods on foreign steel rails. Prices are given in currency.

[Note the pyramid of production, the inverted pyramid of prices, and the reduction in the duty.]

Years.	Gross tons	Price.	Duty.
1867 -----	2,277	\$166.00	45 per cent ad valorem to January 1, 1871.
1868 -----	6,451	158.46	
1869 -----	8,616	132.19	
1870 -----	30,357	106.79	
1871 -----	34,152	102.52	
1872 -----	83,991	111.94	\$28.00 per ton from January 1, 1871, to August 1, 1872; \$25.20 from August 1, 1872, to March 3, 1875; \$28.00 from March 3, 1875, to July 1, 1883.
1873 -----	115,192	120.58	
1874 -----	129,414	94.28	
1875 -----	259,699	68.75	
1876 -----	368,269	59.25	
1877 -----	385,865	45.58	
1878 -----	491,427	42.21	
1879 -----	610,682	48.21	
1880 -----	852,196	67.52	
1881 -----	1,187,770	61.08	
1882 -----	1,281,067	48.50	\$17.00 per ton from July 1, 1883, to October 6, 1890.
1883 -----	1,148,709	37.75	
1884 -----	906,983	30.75	
1885 -----	959,471	28.52	
1886 -----	1,574,703	34.52	
1887 -----	2,101,904	37.08	
1888 -----	1,386,277	29.83	
1889 -----	1,510,057	29.25	
1890 -----	1,867,837	31.78	
1891 -----	1,293,053	29.92	\$13.44 per ton from October 6, 1890, to August 28, 1894.
1892 -----	1,537,588	30.00	
1893 -----	1,129,400	28.12	
1894 -----	1,016,013	24.00	
1895 -----	1,299,628	24.33	
1896 -----	1,116,958	28.00	
1897 -----	1,644,520	18.75	
1898 -----	1,976,702	17.62	
1899 -----	2,270,585	28.12	
1900 -----	2,383,654	32.29	\$7.84 per ton from August 28, 1894, to date.
1901 -----	2,870,816	27.33	
1902 -----	2,935,392	28.00	
1903 -----	2,946,756	28.00	
1904 -----	2,137,957	28.00	
1905 -----	3,192,317	28.00	
1906 -----	3,791,459	28.00	
1907 -----	3,380,025	28.00	

The question of tariff revision stands wholly apart from the question of dealing with the trusts.—President Roosevelt at Minneapolis, April 4, 1903.

No change in tariff duties can have any substantial effect in solving the so-called trust problem.—President Roosevelt at Minneapolis, April 4, 1903.

Anything that makes capital idle, or which reduces or destroys it, must reduce both wages and the opportunity to earn wages. It only requires the effects of a panic through which we are passing, or through which we passed in 1893 or 1873, to show how closely united in a common interest we all are in modern society. We are in the same boat, and financial and business storms which affect one are certain to affect all others.—Hon. Wm. H. Taft, before the Cooper Union, New York City.

One vital, dominating fact confronts the Democratic party which no oratory, which no eloquence, which no rhetoric can obscure: BRYAN'S NOMINATION MEANS TAFT'S ELECTION.—New York World.



*Selling price of iron ore and price of pig iron at date of buying movement, 1894 to 1908.*

[Furnished by Mr. George Smart, Editor of the Iron Trade Review.]

Season.	Date of buying movement.	Season iron ore prices.				Iron price, Valley.	
		Old range Bessemer.	Mesabi Bessemer.	Old range non Bessemer.	Mesabi non Bessemer.	Bessemer.	No. 2 foundry.
		Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
1894-----	March 1, 1894-----	2.75	2.35	2.50	-----	9.65	9.65
1895-----	April 1, 1895-----	2.90	2.15	2.25	1.90	9.40	9.40
1896-----	May 1, 1896-----	4.00	3.50	2.70	2.25	12.40	11.15
1897-----	May 20, 1897-----	2.60	2.25	2.15	1.90	8.35	8.10
1898-----	March 20, 1898-----	2.75	2.25	1.85	1.75	9.55	9.80
1899-----	February 1, 1899-----	3.00	2.40	2.15	2.00	10.30	9.75
1900-----	December 15, 1899-----	5.50	4.50	4.25	4.00	21.15	22.15
1901-----	April 15, 1901-----	4.25	3.25	3.00	2.75	16.15	14.40
1902-----	February 1, 1902-----	4.25	3.25	3.25	2.75	15.90	15.90
1903-----	March 20, 1903-----	4.50	4.00	3.60	3.20	21.50	21.65
1904-----	April 15, 1904-----	3.25	3.00	2.75	2.50	13.35	13.15
1905-----	February 1, 1905-----	3.75	3.50	3.20	3.00	15.50	16.00
1906-----	December 5, 1905-----	4.25	4.00	3.70	3.50	17.25	17.25
1907-----	November 10, 1906-----	5.00	4.75	4.20	4.00	21.50	21.50
1908-----	June 18, 1908-----	4.50	4.25	3.70	3.50	16.00	15.00

**Growth of Imports and Exports of Manufactures in the United Kingdom and United States, respectively, from 1870 to 1907.**

This table, which shows the value of manufactures imported into and exported from the United States and United Kingdom, respectively, at quinquennial periods from 1870 to 1907, is especially interesting in view of the fact that it compares the trade in manufactures of the United States under protection with that of the United Kingdom under free trade. It will be noted that the increase in imports of manufactures into the United Kingdom has been more rapid than that into the United States and that the percentage of growth in exportations of manufactures from the United States has been much greater than from the United Kingdom. The United Kingdom's importations of manufactures grew from \$277,000,000 in 1870 to \$762,000,000 in 1907, an increase of considerably more than 200 per cent, while those of the United States grew during the same period from \$229,000,000 to \$638,000,000, an increase of considerably less than 200 per cent. In the exports of manufactures the contrast is much more strongly marked; the exports of manufactures from the United Kingdom were \$888,000,000 in 1870 and \$1,690,000,000 in 1907, a gain of a little less than 100 per cent, while those from the United States grew from \$70,000,000 in 1870 to \$740,000,000 in 1907, an increase of nearly 1,000 per cent.

This seems to disprove the frequent assertion of the Democrats that a protective tariff at home destroys our chances for selling abroad.

**Exports of Manufactures and Total Exports of Domestic Merchandise from the United States, United Kingdom, and Germany, from 1875 to 1907.**

The table which follows shows the imports and exports into and from free trade United Kingdom, and protective Germany, and the United States, respectively, from 1875 to 1907; also the exports of manufactures from each of those countries during that period. It is interesting to note that the total exports of the United States have grown more rapidly than those of either Germany or the United Kingdom, and the growth in the exports of manufactures has been much more rapid than in either of those countries. Manufactures exported from the United Kingdom amounted to \$979,000,000 in 1875 and in 1907 to \$1,690,000,000, having thus increased less than 75 per cent. dur-

ing that time. Those from Germany grew from \$460,000,000 in 1880 (no data for 1875) to \$1,047,000,000 in 1906, an increase of about 130 per cent., while those from the United States grew from \$102,000,000 in 1875 to \$740,000,000 in 1907, an increase of over 625 per cent. This seems to pretty thoroughly dispose of the statement that protection injures the export trade of the protected country.

*Commerce of the United States and United Kingdom and Germany, from 1875 to 1907. Showing exports of all domestic merchandise; also exports of domestic manufacture from each country named.*

Year.	Imports of merchandise.			Exports of domestic merchandise.			Exports of domestic manufactures.		
	United Kingdom.	Germany. (a)	United States. (b)	United Kingdom.	Germany.	United States. (b)	United Kingdom.	Germany.	United States. (b)
	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.
1875	1,819,779,000	839,590,000	533,005,000	1,087,497,000	593,032,000	499,284,100	978,886,000	-----	101,982,000
1880	2,001,251,000	670,945,000	667,935,000	1,085,521,000	688,500,000	823,946,353	970,681,000	460,279,000	121,318,000
1885	1,805,316,000	699,067,000	577,527,000	1,037,124,000	680,551,000	726,682,946	913,353,000	504,623,000	150,256,000
1890	2,047,298,000	990,023,000	789,310,000	1,282,472,000	791,717,000	845,283,828	1,118,657,000	511,096,000	178,982,000
1895	2,027,822,000	980,719,000	731,970,000	1,100,453,000	789,660,000	793,392,599	953,800,000	518,723,000	205,078,000
1900	2,545,544,000	1,372,216,000	849,941,000	1,417,086,000	1,097,509,000	1,370,763,571	1,142,603,000	709,806,000	484,846,000
1901	2,540,264,000	1,290,254,000	823,172,000	1,362,729,000	1,054,685,000	1,460,462,806	1,110,131,000	688,409,000	465,778,000
1902	2,571,416,000	1,340,178,000	903,221,000	1,379,283,000	1,111,008,000	1,355,481,861	1,127,606,000	735,182,000	453,865,000
1903	2,642,054,050	1,424,080,000	1,025,719,000	1,415,179,000	1,113,313,000	1,392,231,302	1,163,812,000	780,925,000	467,898,000
1904	2,681,629,000	1,514,660,000	991,087,000	1,465,412,000	1,242,987,000	1,435,179,000	1,204,359,000	819,196,000	523,320,000
1905	2,749,669,000	1,696,660,000	1,117,513,000	1,605,053,000	1,364,131,000	1,491,745,000	1,322,851,000	910,017,000	611,026,000
1906	2,958,289,000	1,909,210,000	1,226,562,000	1,627,737,000	1,513,449,000	1,171,953,000	1,523,699,000	1,046,938,000	686,023,000
1907	3,143,293,000	2,046,187,000	1,434,421,000	2,074,125,000	1,634,803,000	1,853,718,000	1,690,038,000	No data.	740,123,000

a Imports for consumption.

b Years ending June 30.

*Importation of manufactures into United Kingdom and United States, respectively, at quinquennial years, 1870 to 1907.*

[From official statistics of the respective governments.]

Year.	Into the United Kingdom. Millions dollars.	Into the United States. Millions dollars.
1870.....	277	229
1875.....	354	241
1880.....	405	307
1885.....	406	261
1890.....	478	348
1895.....	483	296
1900.....	630	337
1905.....	707	430
1907.....	762	638

*Exportation of manufactures from United Kingdom and United States, respectively, at quinquennial years, 1870 to 1907.*

[From official statistics of the respective governments.]

Year.	From the United Kingdom. Millions dollars.	From the United States. Millions dollars.
1870.....	888	70
1875.....	979	102
1880.....	965	122
1885.....	915	150
1890.....	1,112	179
1895.....	941	205
1900.....	1,126	485
1905.....	1,329	611
1907.....	1,690	740

**Growth of Exports to the Countries which Protested Against the Dingley Tariff Bill.**

This table gives a full list of the countries which protested against the Dingley tariff bill during its consideration, and the value of merchandise exported thereto in the year prior to the consideration of that measure and of their protest, and compares with those figures the exports to those same countries in 1898 (the year immediately following the enactment of the tariff law) and in 1907, the latest year for which figures are now available. It will be seen that despite the protests against the Dingley bill and, in some cases, implied threats of exclusion of American products in case the bill should become a law, the exports to those countries have in every case greatly increased, the total exports to those countries in 1907 being practically double those of 1896, the year prior to the enactment of the law.

*Exports from the United States to the countries which protested against the Dingley tariff bill, showing increase in exports after enactment of the law.*

Countries.	Year ending June 30—		
	1896.	1898.	1907.
United Kingdom .....	\$405,741,339	\$510,940,605	\$607,783,255
Germany .....	97,897,197	155,039,972	256,595,663
Netherlands .....	39,022,899	64,274,524	104,507,716
Belgium .....	27,070,625	47,619,201	51,493,044
Italy .....	19,143,606	23,290,858	61,746,965
Japan .....	7,689,685	20,385,041	38,770,027
Denmark .....	6,557,448	12,697,421	23,384,989
China .....	6,921,933	9,992,894	25,704,532
Argentina .....	5,979,046	6,429,070	32,163,336
Austria-Hungary .....	2,439,651	5,637,912	15,136,185
Greece .....	191,046	127,559	1,634,431
Switzerland .....	32,954	263,970	612,579
Total to countries.....	\$618,687,429	\$886,759,027	\$1,219,532,722



## MODERN TARIFF SYSTEMS OF THE WORLD.

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Three types of tariff systems have been adopted by leading nations during the more recent period. The earliest type is the single, or "autonomous," tariff. It is made up of schedules or rates which apply uniformly to imports from all countries, no favor or discrimination being shown to any one of them. It is also called "autonomous" because it is the result of domestic legislation only, with regard primarily to the wants and interests of national industry. While the character of such autonomous legislation is in most cases protective, this is not an absolutely essential element of the autonomous tariff. Cases are possible where a tariff of this character may be constructed along free trade lines.

The only example of an autonomous, non-protectionist tariff is presented by the British tariff, the duties of which are purely fiscal in character and therefore not adapted for change or reduction by tariff agreements.

The tariff systems adopted by most countries of the European continent differ from the British system, each tariff having a double column of rates. The rates in the second columns are of course never higher than in the first column, and as a rule—lower.

In case this double set of rates is the result of domestic legislation and the mere application of these rates to the various countries the result of international bargaining, the tariff is designated as a "maximum and minimum" tariff. Examples of this system are presented by the tariffs of France, Spain, and Norway, as well as by the recent tariff of Canada. Whenever this second set of rates is primarily not the result of domestic legislation but of international bargaining, such a tariff is spoken of as a "general and conventional" tariff. Typical representatives of the conventional system are the German, Austro-Hungarian, Italian, Swiss, and the most recent Russian tariffs.

### **The Maximum and Minimum System Described.**

As can be seen from the short definitions just given, both the "maximum and minimum" and the "general and conventional" tariff systems presuppose international bargaining and agreements. The difference between the two systems is, that in the case of the maximum and minimum tariff systems the legislative body of the country from the outset fixes the limits within which concessions to foreign countries can be made by the Executive. After this type of tariff has been adopted by the national legislature the domestic producer is assured of a minimum degree of protection which cannot be reduced by the Executive through negotiations with foreign countries. Furthermore, the legislature may restrict the number of articles to which two sets of rates are applicable. For example, the French tariff provides only for a single rate of duties for the principal breadstuffs.

### **The Conventional System Described.**

In the case of the general and conventional tariff systems the legislature fixes from the outset one set of duties only, which is sometimes called the autonomous set, being the result of autonomous national legislation. The process by which the second set of duties is attained is normally as follows: Country A and Country B, both having passed the autonomous tariffs, open negotiations through specially appointed agents with the view of obtaining reciprocal concessions from the rates found in the respective autonomous tariffs. Assuming that Country A is an exporter of agricultural and mining products, its negotiators naturally will attempt to obtain reductions of duty on the above products without paying any attention to the autonomous rates

found in the tariff of "Country A" on articles in the exportation of which their country is not interested. In case Country B is an exporter of textiles and chemicals the negotiators representing Country B will be interested in having the rates on these products only reduced by Country A. If the concessions granted by one side are found to be equivalent to those granted by the other, new sets of rates will be constructed which, as a rule, will be lower in either tariff than the rates on the same articles adopted originally by the legislatures of the two countries. Sometimes the result of such negotiations is that some conventional rate adopted does not differ from the original autonomous rate, but is merely "fixed" or "bound" for the period of time during which the tariff agreement is to last. The conventional tariff schedule which results from such negotiations is therefore composed of reduced and "bound" or "fixed" rates. The general schedule may be changed at any time without breaking any of the conditions of the treaty; the conventional rates must remain in force during the lifetime of the treaty and can be changed by the consent of both parties only.

Such negotiations usually are carried on with more than one country and result in reductions or binding of rates on various groups of articles in the exportation of which the particular countries are interested. In case a country does not care to enter into such special tariff negotiations, relying merely on the most favored nation clause in its existing treaties with the respective country, all the conventional rates accorded to other countries as the result of special negotiations are granted to that country as a matter of course. For example, the United Kingdom, by reason of its most favored nation clause, obtained without special negotiation all the conventional rates granted by Germany in 1905-1906 to Russia, Austria-Hungary, Italy, Switzerland, Belgium, Servia, Roumania, Sweden, Bulgaria and Greece. Inasmuch as the greater part of the countries also concluded commercial agreements with each other and extended the concessions granted to any one of them to all others having most favored nation clauses in their treaties, it follows that all concessions granted originally only to one country in the cycle are applicable to importations from all other countries entitled to such concessions by reason of their most favored nation clause. It can be seen therefore that the application of the original general tariff adopted by the legislature is considerably modified by the conclusion of commercial treaties and that the conventional rates are the ones normally applied. These rates come into force by legislative enactment, each tariff convention or treaty with its set of new conventional rates being subject to sanction by the legislature. The conclusion of such tariff treaties on the part of the negotiators therefore presupposes not only an expert knowledge of the export industries, for which concessions are obtained, but also of the limits of concessions from the rates of the general tariff which may be granted without endangering the adoption of the tariff treaty by the legislature of their own country. For it must be understood that the terms of the treaty cannot be modified by the legislature, which merely reserves in itself the right to adopt or reject the treaty as a whole. In the case of the maximum and minimum tariff, unless the right to grant all or certain minimum rates for equivalent concessions is specially conferred upon the Executive by the legislature, a similar legislative sanction is necessary, though from what has been said above, it is manifest that the scope and freedom of the negotiators is more limited and restricted.

#### **Important Difference Between the Conventional and the Maximum and Minimum Systems.**

The most important difference between the two types of the double tariff system is that the maximum and minimum tariff leaves the Government free to change either the maximum or minimum rates whenever circumstances and changed industrial conditions make such action advisable. All that the Government binds itself to do with regard to the foreign country is to accord to it its minimum tariff. As the French negotiators



put it in their letter to the Canadian delegates during the negotiations for the recent reciprocity treaty, "it is a principle in French customs legislation that the Administration cannot renounce its right to revise or modify the tariff." Under the system of conventional tariffs the contracting powers specify the exact rate of duty to be respectively applied to each other's products, and while the general rates may be moved up or down during the lifetime of the treaty, the conventional rates cannot be raised during this period except by mutual consent. In order to insure stability of rates, tariff conventions, as a rule, are concluded for a certain number of years—not less than five, but usually for a longer period, ten or even twelve years. It is plain that either system has its advantages and disadvantages and no *a priori* judgment upon the respective merits of the two systems is possible.

#### European Interpretation of the Most Favored Nation Clause.

Mention has been made of the "most favored nation clause," by reason of which countries obtain more favored treatment freely and as a matter of course without special negotiations or equivalents. Inasmuch as the European interpretation of this clause differs considerably from ours a few words of explanation would seem necessary. The American view or interpretation of this clause is that every favor or concession granted by a treaty is to be compensated by a definite and positive concession of some sort in return, and that the American Government reserves to itself the right to judge in each particular case of the adequacy of the return favor or concession. In opposition to this construction of the clause the one now accepted by European countries in their commercial relations is that all concessions and favors given to a third party shall be at once and without any special return extended to the other party to whom such treatment is guaranteed. The result is that a nation having been granted the most favored nation clause by its neighbor is assured that while this clause is in force it will not be treated less favorably than any other nation. In the first place, then, favors or concessions given to any other country are at once and as a matter of course given to all other nations entitled to the most favored nation clause. And, second, these concessions are given without any special compensation even though they were secured by the first country in return for specified and important concessions.

Such an interpretation of the clause in connection with a special tariff agreement assures to the parties concerned the maximum possible benefits in the markets of the other contracting party. Either country when sufficiently interested has an opportunity of obtaining the greatest possible concessions for its own export industries by granting through direct negotiations return concessions on its own general rates. Moreover, it is assured that subsequent tariff treaties with other countries will not make less favorable its position in its neighbor's market, inasmuch as all such subsequent concessions and favors granted to a third party will, as a matter of course, and without further concessions on its own part, be extended to it by reason of its most favored nation clause.

It is therefore seen that the conventional tariff system is closely interwoven with the most favored nation clause. The United Kingdom, having a duty on but few articles and thus no concessions to offer, is unable to make special tariff agreements and must be satisfied with benefits reflected to it merely through its most favored nation clause. For no matter how large the circle of countries that conclude special tariff agreements with conventional rates it is plain, from what has been said above, that the reduction or "binding" of rates will apply only to such articles which constitute, so as to say, the special field of the respective countries. These reductions or concessions may or may not be of special importance to other countries which receive the more favorable rates through the most favored nation clause only. As a matter of fact, industrial conditions and the needs of foreign markets for various industries are not identical in the various countries. Hence, a country



which is able to offer concessions is in a better strategic position to obtain concessions for its export industries than a country which has no such concessions to offer.

This disadvantage becomes more pronounced in relation to the United States, which, as mentioned above, grants concessions only upon receiving equivalent concessions from the other nation. As a matter of fact, the concessions of Section 3 in the Dingley tariff have never been extended to articles the products of the United Kingdom, for the reason that the latter country was not in position to offer equivalent concessions.

#### **The Position of the United States.**

It is difficult to bring the United States tariff, now in force, under any one of the heads of tariff systems discussed, as, although chiefly of the first named or "autonomous" type, it partakes of some of the features of a "maximum and minimum" tariff and by the adoption of the Cuban reciprocity treaty of 1903 has also features of a "general and conventional" tariff. Section 3 of the Dingley tariff authorized the President to reduce duties on argols, brandies, sparkling and still wines, vermouth, paintings, and statuary, whenever reciprocal and equivalent concessions might be secured in favor of the products and manufactures of the United States. The following countries are granted reduced rates under this provision: France, Germany, Italy, Portugal, Spain, and Switzerland. The concessions which were granted in the case of these several countries were, however, not equal. Thus, in the case of Italy and Switzerland this country was able to obtain in exchange for concessions of Section 3 all the conventional rates granted by those countries to other nations, either through special tariff treaties or by reason of the most favored nation clause. In the case of Spain we are entitled to treatment under the minimum tariff. In the case of Portugal the concessions obtained included the lowest rates accorded to any other country, except Spain and Brazil, on wheat, corn, flours, except wheat, flour, lard, and grease, mineral oil, certain agricultural machinery, tools and instruments, tar and mineral pitch.

The concessions obtained from Germany in exchange for those given to her products under Section 3 of the Dingley tariff include now most of the conventional rates granted by her through previous special conventions to Russia, Austria-Hungary, Italy, Switzerland, Belgium and Roumania, and Servia. In the case of France, however, the concessions from the general rates are more restricted and include at present merely the minimum rates on canned meats, manufactured and prepared pork meats, lard and its compounds, fresh table fruits, dried or preserved fruits, apples and pears, crushed or cut and dried, common woods, paving blocks, staves and hoops.

In December, 1903, a reciprocal convention between the United States and Cuba went into effect, by the terms of which the United States granted a 20 per cent reduction upon all imports from Cuba, the products of that island; while the Cuban Government granted reductions on a large list of articles, varying between 25 and 40 per cent, on the produce and manufactures of the United States imported into that island. The reduced rates granted to Cuba have not been extended to any other country, the United States Government regarding the commercial relations between this country and the island of Cuba as peculiar and *sui generis*.

#### **Illustration of the Conventional and the Maximum and Minimum Tariffs.**

Below are given extracts from the German and French Customs Tariffs respectively as illustrations.

The rates in the second column of the German Tariff, marked conventional, are the results of reciprocity treaties concluded with various foreign nations, with the exception of the rates given in Tariff Nos. 1, 2, 3 and 4. These rates were fixed by the German Reichstag at the time of the adoption of the Tariff, so as to prevent a reduction of duties on these cereals below that limit as a result of treaty negotiations.

In the case of the French Tariff, the Parliament was likewise anxious to prevent a reduction of duties on cereals and this was done by failing to provide any rates in the "minimum tariff" column on these products, leaving but one set of duties in the general tariff in tariff Nos. 68-76 inclusive.

EXAMPLE OF CUSTOMS TARIFF OF FRANCE.

(Maximum and minimum.)

Schedule A—Import tariff.

Tariff No.	Articles.	Unit of quantity.	Rate of duty (additional taxes included).	
			General tariff.	Minimum tariff.
Second Section—Vegetable Products.				
VI.—Farinaceous Food.				
68	Wheat, spelt, and meslin:		Francs.	Francs.
	Grain.....	100 kilos G.	7.00	-----
	Crushed, and grist containing more than 10 per cent of flour.....	100 kilos N.	11.00	-----
	Flour at the rate of extraction (aux taux d'extraction)—			
	Of 70 per cent and above.....	do	11.00	-----
	Of between 70 per cent and 60 per cent.....	do	13.50	-----
	Of 60 per cent and below.....	do	16.00	-----
69	Oats:			
	Grain.....	100 kilos G.	5.00	-----
	Meal.....	do	5.00	-----
70	Barley:			
	Grain.....	do	3.00	-----
	Meal.....	do	5.00	-----
71	Rye:			
	Grain.....	do	5.00	-----
	Meal.....	do	5.00	-----
72	Indian corn:			
	Grain.....	do	3.00	-----
	Meal.....	do	5.00	-----
73	Buckwheat:			
	Grain.....	do	2.50	-----
	Meal.....	do	4.00	-----
74	Malt.....	do	4.00	-----
75	Ships' biscuit and bread.....	do	7.00	-----
76	Groats, grits (coarse flour), pearled or cleaned grain.....	100 kilos N.	16.00	-----
76bis	Millet, hulled or cleaned.....	100 kilos G.	6.00	-----
77	Semolina and Italian pastes (SO 2.40 francs).....	100 kilos N.	19.00	16.00
78	Sago, salep, exotic feculæ and their derivatives.....	do	11.00	19.00
XXIII.—Glass and Crystal.				
348	Plate glass:			
	Less than one-half of a square meter in surface.....	100 kilos N.	25.00	20.00
	One-half of a square meter, inclusive, to 1 square meter, exclusive—			
	Rough.....	Sq. meter.	1.25	1.00
	Polished or silvered.....	do	4.00	3.00
	1 square meter or more—			
	Rough.....	do	3.00	2.00
	Polished or silvered.....	do	5.00	3.50
349	Glass, common, cast or molded, with or without grooves, reliefs, or perforations, of any thickness, shape, or size, for insulators, roofing, windows, piping, or pavements.....	100 kilos G.	6.00	4.50
350	Table glass, of glass or crystal:			
	Plain and molded, white, or of one color, and colored in the paste.....	do	6.00	4.00
	Cut and engraved, in any other manner than is necessary for effacing the mark of the pontee.....	100 kilos N.	20.00	16.00
	Decorated in gold or color.....	do	35.00	23.00
	Lamp chimneys.....	do	18.00	15.00
351	Window glass:			
	Common—			
	Panes not exceeding 50 square centimeters in surface.....	100 kilos G.	7.00	5.00
	Panes exceeding 50 square centimeters in surface.....	100 kilos N.	12.00	10.00
	Colored or slightly tinted glass, undulated glass.....	do	25.00	20.00
	Framed window glass, colored glass, enameled, engraved, decorated with lithographic, photographic, or other prints, or hand painted.....	do	120.00	100.00

## Schedule A—Import tariff—Continued.

Tariff No.	Articles.	Unit of quantity.	Rate of duty (additional taxes included).	
			General tariff.	Minimum tariff.
	XXIII.—Glass and Crystal—Continued.			
	Watch glasses:		Francs.	Francs.
352	Rough, including glasses for toy watches -----	do -----	20.00	15.00
353	Glasses for clocks, flat, cut and polished -----	do -----	75.00	50.00
354	Glasses for clocks, other, and watch glasses, cut and polished -----	do -----	180.00	150.00
	Spectacle and optical glasses:			
355	Plane, concave, or convex -----	100 kilos N.		
356	"Koylos," or window glass, cut on one surface -----	do -----	30.00	15.00
357	Polished or cut -----	do -----	180.00	150.00
358	Vitrifications:			
	Vitrifications and enamel. in lumps and tubes—			
	Not cut -----	100 kilos G.	6.00	5.00
	Cut, not rebaked -----	do -----	7.50	6.00
	Vitrifications in beads, perforated or cut, spun glass, balls, and imitation coral of glass -----	100 kilos N.	30.00	20.00
	Imitation precious stones, trinkets of glass, colored or not -----	do -----	150.00	100.00
	Flowers and ornaments of beads and porcelain, mosaics on paper -----	do -----	150.00	125.00
	Wreaths, finished or not, and other vitrified or porcelain articles, with or without metal ornaments -----	do -----	175.00	150.00
359	Bottles, full or empty -----	100 kilos G.	4.50	3.50
360	Cullet or broken glass -----	do -----	Free.	Free.

I am a protectionist because I think by that policy the workmen of America will be well paid and not underpaid.—Hon. George F. Hoar.

A tariff for revenue only resulted in cheaper wool, cheaper bread, cheaper everything; there was no doubt about that; but did cheapness produce happiness, as they said it would? No; it produced misery, just as we said it would.—Hon. M. N. Johnson, in Congress, March 24, 1897.

The railways can blame no one but themselves if the revelation of the flagrant violations of law and of their unjust administration of a public trust have led to an outburst of popular indignation and have brought on temporary excess.—Hon. Wm. H. Taft, at Columbus, Ohio.

The most casual observer must have perceived the rapid improvement in the commercial interests of the country which followed the enactment of the Dingley law, an improvement which has steadily increased in degree notwithstanding the adverse influence of actual war.—Hon. C. W. Fairbanks, in U. S. Senate, June 3, 1898.

I am a protectionist because facts confront us, not theories. I have seen the wage-earners of Great Britain and continental Europe; know how they live; that they are homeless and landless as far as ownership is concerned; that they are helpless and hopeless as to any brighter future for themselves or their children; that in their scant wages there is no margin for misfortune and sickness, pauperism being the only refuge.—Hon. William P. Frye.

What has been the result to the United States of this so-called colonial policy? Well, it has added to her trade something over one hundred millions of dollars. I do not think that is important except as a beginning. If the government continues its friendly policy toward Porto Rico and the Philippines and opens her markets as well to the Philippines as to Porto Rico, this trade will treble and quadruple in a marvelously short time, so that merely from the standpoint of material progress, the mutual benefits for the people we are helping and ourselves will be no mean justification for the policy.—Hon. Wm. H. Taft, at Cleveland, Ohio.

One vital, dominating fact confronts the Democratic party which no oratory, which no eloquence, which no rhetoric can obscure: BRYAN'S NOMINATION MEANS TAFT'S ELECTION.—New York World.



## : EXAMPLE OF CUSTOMS TARIFF OF GERMANY.

(Conventional.)

*Rates of import duty.*

[NOTE.—All rates are given per 100 kilos, net weight, except where otherwise indicated by footnotes.]

Tariff No.	Articles.	General rate of duty.	Conventional rate of duty.
	PART I.—AGRICULTURAL AND FOREST PRODUCTS, AND OTHER NATURAL ANIMAL AND VEGETABLE PRODUCTS, FOOD STUFFS, AND ARTICLES OF CONSUMPTION.		
	A.—Field, garden, and meadow produce.		
	CEREALS AND RICE.		
		Marks.	Marks.
1	Rye Tare: Sacks, 1.	7.00	5.00
2	Wheat and spelt Tare: Sacks, 7.	7.50	5.50
3	Barley: Malting barley	7.00	4.00
	Other Tare: Sacks, 1.	7.00	1.30
	NOTE.—The following is to be regarded as barley other than "malting barley," and to be admitted at the reduced rate: (1) On entering at certain customs stations provided with special authority, barley which, in its pure, unmixed, beardless state, does not reach the weight of 65 kilos per hectoliter, and likewise does not contain more than 30 per cent of grain of which the weight is 67 kilos per hectoliter or more. (2) Barley for which proof is furnished that it is unfitted for the manufacture of malt or that it is not intended for that purpose. In case the correctness of the ascertainment of the quantity admitted under (1) is disputed by the importer, or in case other grounds of doubt as regards the use to which it is to be put arise respecting a consignment presented for clearance on account of its special character, the customs department is only bound to admit the goods at the reduced rate, provided it is first rendered unsuitable for use in the manufacture of malt. This can be done at the option of the customs department by grinding, hulling, bruising, or any similar process. It is understood, however, that the application of any such process does not entail any expense to the importer.		
4	Oats Tare: Sacks, 1.	7.00	5.00
5	Buckwheat	5.00	
6	Millet (panicum, Italian millet)	1.50	1.50
7	Maize (Indian corn) and sorghum (dhouira)	5.00	3.00
8	Other cereals not specially mentioned	1.50	
	NOTE TO NOS. 1-8.—Cereals in sheaves, as directly gathered on the field, will pay half the duty in the grain as specified above.		
	Malt, except that roasted or ground—		
9	From barley	*10.25	5.75
	From other grain	*11.00	
10	Rice, not cleaned	4.00	4.00
	LEGUMES, DRY (RIPE).		
11	Beans for food	4.00	2.00
	Pease, lentils	4.00	1.50
12	Beans for fodder (horse-beans, etc.), lupines, vetches	2.50	1.50
	NOTE TO NOS. 11 and 12.—Legumes in the straw are to pay half the duty of the class to which it belongs.		
	OLEAGINOUS FRUITS AND SEEDS.		
13	Rape seed, colza seed, dodder seed, oil-radish seed, mustard seed, hedge-mustard seed	5.00	2.00
14	Poppy seed, also ripe poppyheads, sunflower seeds, edible cyperus root, beechnuts, laurel berries	2.00	2.00
	Peanuts, sesame, "madia" seed, ben nuts, kapok seed, and Niger seeds	2.00	
	PART XV.—GLASS AND GLASSWARE.		
735	Glass in the mass (also glass paste unshaped or in rough lumps); fusible glass, enamel, and glazing in the lump, colored or not, and glass powder (ground glass)	3.00	3.00

\*Gross weight.

*Rates of import duty—Continued.*

Tariff No.	Articles.	General rate of duty.	Conventional rate of duty.
	<b>PART XV.—GLASS AND GLASSWARE—Continued.</b>	<b>Marks.</b>	<b>Marks.</b>
736	Rough rods and tubes of natural colored glass-----	3.00	3.00
	Glass tubes and rods, without distinction of color, used for the manufacture of beads and blown art wares, etc-----	3.00	3.00
737	Hollow glass— Neither molded nor ground, polished, smoothed, cut, etched, or figured— Of natural color-----	3.00	3.00
	White (or half white) transparent, with or without separate rings of massive white (or half-white glass)-----	*8.00	*8.00
	Colored or white nontransparent, or even flashed with colored or white nontransparent glass-----	17.00	{ 10.00 15.00
738	Tare: Cases, 40; casks, 40; hampers, 13. With the bottoms only molded, or with the stoppers shaped or ornamented by grinding, molding, etc.— Colored or white nontransparent, or even flashed with white or colored nontransparent glass-----	24.00	15.00
	Other-----	20.00	12.00
739	Tare: Same as No. 737. Molded, ground, polished, smoothed, cut, engraved, or figured in any other way— Colored or white nontransparent, or even cased with colored or white nontransparent glass-----	30.00	15.00
	Other-----	24.00	12.00
	Tare: Cases—Ink wells made of ground white transparent glass, 20; other, 40. Casks 40. Hampers, 13.		
740	Painted, gilt, or silvered, also figured by colors being applied or burnt in-----	36.00	20.00
	So-called "Silberglass" (ordinary, white, transparent, uncut, and hollow glass, to which an even and glittering appearance of a color like silver has been imparted by means of washing the whole of the interior with amalgam, but which has not undergone any further process of working on the outside), used as ornamental balls for garden posts, chandeliers, and the like-----		15.00
	Other hollow glass of a like description-----		20.00
	Tare: Cases, 40; casks, 40; casks, 40; hampers, 13.		

\*Gross weight.

**Tariff Relations Between the Mother Country and its Dependencies, Possessions, or Colonies. (Preferential Tariffs.)**

The tariff relations between the mother country and its colonies may be classed under the following heads:

1. Those in which Colonial imports into the mother country are subject to the same rates of duty as the products of foreign countries enjoying the most favored nation treatment. This mode of treatment of colonial imports prevails at present in the United Kingdom, Germany and the Netherlands; in the case of the United Kingdom and Netherlands, which are practically on a free trade basis, the reasons of such policy are obvious. In the case of Germany the imports from her colonies consist almost exclusively of such products, mainly raw materials, as do not enter into competition with German home products or manufactures and are not subject to any duty whatever their origin.

2. Those in which colonial products when imported into the mother country are subject to preferential, that is, lower customs duties; thus, for example, the United States accords a 25 per cent reduction from the general rates to all dutiable imports from the Philippine Islands. The French Government accords preferential treatment without limitation as to quantity to certain articles, such as lumber, palm oil, etc., imported from the French West coast of Africa. In other cases reduced rates are charged on limited quantities of certain colonial products.

3. Those in which the tariff of the mother country is made to apply to the colonies and trade between the mother country and its colonies is free and subject to no duty. An example of such treatment is presented by the tariff arrangement existing

between the United States and Porto Rico. In the case of tariff relations between France and the larger part of her colonies, while free trade exists in most articles exchanged between them, important exceptions to the general rule are found in the case of "colonial" products imported into France, such as cocoa, chocolate, coffee, tea, pepper, etc., which are subject to revenue duties, though in most cases these duties are 50 per cent below the minimum rates charged on imports of the same character from foreign countries.

**Treatment by the Colonies of Goods Coming from the Mother Country or other Colonies Under the Same Sovereignty.**

The fiscal treatment of imports from the mother country by the colonies is likewise three-fold:

1. Those in which no fiscal favor or preference is shown to imports from the mother country. This is the arrangement prevailing at present in the Dutch German colonies and British Crown colonies, as well as in the Philippine Islands with regard to imports from the United States.

2. Those in which the products of the mother country are subject to preferential treatment, that is, admitted into the colony on payment of lower rates of duty than charged on imports from foreign countries. The manifest purpose of such legislation is to bring about a closer economic and commercial relationship between the colonies and the mother country and to open a more favorable market for the products of the mother country in exchange for better opportunities offered to the products of the colony in the markets of the mother country. Unless existing treaties with foreign countries contain provisions to the contrary, it would seem that a foreign country cannot claim the extension to her products of the preferential rates on the basis of its most favored nation clause in its commercial treaty with the mother country. In practice, however, the application of preferential rates by the British self-governing colonies to the products of the mother country has given rise to controversies and tariff difficulties with foreign countries. Thus, for example, Canada involved herself into difficulties with Germany by according preference to British products; the result of this difficulty has been that Canadian products imported into Germany are subject to the general tariff and not to the conventional rates. This preferential policy in British colonial tariffs is the growth of recent years. Canada entered upon this policy in 1897 and accords now reductions of duty on a large number of articles, the product and manufactures of the United Kingdom. The new Canadian tariff which went into force November 30, 1906, provides for the application of preferential rates to direct importations not only from the United Kingdom but also to products coming from British West Indies, British Guiana, Australia, Straits Settlements, New Zealand and the South African Customs Union. New Zealand in its tariff of 1907 accords preferential treatment to certain articles which are the produce and manufacture of some part of the British dominions, either by imposing duties of 20 to 50 per cent higher on the same articles when coming from foreign countries or by admitting free of duty certain other articles that are dutiable at 10 to 20 per cent ad valorem when not of British production. The Australian Commonwealth has also adopted the same principle of preferential treatment of certain goods imported into the Commonwealth when the produce or manufacture of the United Kingdom. Furthermore these semi-sovereign colonies have entered into or are negotiating reciprocity tariff arrangements between each other, by which preferential treatment of the respective imports from each other is granted to an extent even larger than that which is accorded to products of the mother country.

The third type of tariff treatment of the products of the mother country by the colonies is that prevailing in Porto Rico and in a large number of the French colonies, i. e., imports from the mother country are admitted free of duty. In a case of the French colonies which have adopted the same mode of treating the products of the mother country free trade exists between all of them, these colonies, together with the mother country, constituting, as it were, one greater customs union.



*List of tariff treaties concluded by Germany with other European countries.*

Name of country.	Date of signing.	Date of taking effect.	Date of expiration.
Austria-Hungary ----	1905	March 1, 1906-----	*December 31, 1917.
Belgium -----	1901	March 1, 1906-----	December 31, 1917.
Italy -----	1901	March 1, 1906-----	December 31, 1917.
Roumania -----	1901	March 1, 1906-----	December 31, 1917.
Russia -----	1901	March 1, 1906-----	December 31, 1917.
Servia -----	1901	March 1, 1906-----	December 31, 1917.
Switzerland -----	1901	March 1, 1906-----	December 31, 1917.
Bulgaria -----	1905	March 1, 1906-----	February 28, 1911.
Greece -----	1884	July 9, 1884-----	6 months' notice.
Sweden -----	1906	May 8, 1906-----	December 31, 1910.
United States-----	1907	July 1, 1907-----	12 months' notice.

\*With option of denouncing it 12 months before December 31, 1915.

**List of Recent Tariff Treaties Concluded by France with other European Countries, with the United States and Canada.**

Austria-Hungary, 1884; Belgium, 1906; Germany (treaty of peace at Frankfort), May 10, 1871; Great Britain, 1882; Roumania, 1907; Russia, 1905; Servia, 1907; Spain, 1893-4; Sweden and Norway, 1892; Switzerland, 1906; Canada, 1907; United States, 1908.

### RECIPROCITY.

Reciprocity is another form of tariff revision which has been suggested at various times by various people and by people belonging to various political parties. It was suggested by President Arthur, James G. Blaine, and William McKinley; was put into operation in the McKinley tariff law; was destroyed by the Democratic Wilson-Gorman tariff law; and now the Democratic party is charging that the Republican party is not willing to give the country "genuine reciprocity."

There are two distinct kinds of legislation which have been designated as reciprocity legislation. The first of these was enacted by the Democratic party in 1854, taking effect in 1855. It was reciprocity with Canada, and provided that certain articles, the growth or produce of Canada or the United States, should be admitted into each country, respectively, free of duty. These were *articles of common production in the two countries*, and included grain, flour, animals of all kinds, fresh, smoked, and salted meats, cotton, seeds, vegetables, fruits, fish, poultry, eggs, hides, furs, stone, slate, butter, cheese, tallow, lard, ores, coal, pitch, turpentine, ashes, timber, lumber, flax, hemp, tobacco, and rags. These were all, with the single exception of cotton, articles of mutual production, and Democratic reciprocity simply provided for free trade in these competing articles. Under that treaty, which went into effect March 16, 1855, and terminated March 17, 1866, exports from the United States to Canada fell from \$27,741,808 in the fiscal year 1855 to \$23,439,115 in the fiscal year 1866, a reduction in our exports to Canada of over 4 million dollars during this period of Democratic reciprocity, while imports into the United States from Canada increased from \$15,118,289 in 1855 to \$48,133,599 in 1866, an increase of 33 million dollars. In our trade with all other countries during that same period our imports increased 60 per cent while those from Canada were increasing 220 per cent, and our exports to all other countries increased 70 per cent while those to Canada under this reciprocity were decreasing 15 per cent. It was simply *free trade in articles of common production and with no barrier to protect the domestic producer*—the result being a much greater increase in our imports from Canada than in those from other countries, and a decrease of exports to that country, while to other countries exports were increasing.

A later form of reciprocity with which the country has had experience is illustrated by the plan formulated in the McKinley tariff law and expressed by William McKinley in his much-quoted speech at Buffalo, in which he said: "By sensible trade arrangements *which will not interrupt our home production* we shall extend the outlets for our increasing surplus. \* \* \* We should take from our customers such of their products as we can use *without harm to our industries and labor*. \* \* \* If perchance some of our tariffs are no longer needed for revenue or to encourage and protect our industries at home, why should they not be employed to extend and promote our markets abroad?"

To purchase from our neighbor "such of their products as we can use *without harm to our industries and labor*," in other words such of their products as are not produced by our own labor and obtain in exchange markets for the class of merchandise which we desire to sell, and which the countries in question require for their own use, differs materially from the reciprocity of 1855-56, which was merely free trade in articles of mutual production, articles which when imported compete with the home producer. The chief classes of products which we do not produce in the United States are tropical and subtropical. We import about 400 million dollars' worth of tropical and subtropical products every year; more than a million dollars' worth for every day in the year, including Sundays and holidays. These articles we do not produce in the United States in sufficient quantities for home requirements. They include rubber, hemp, sisal, jute, raw silk, Egyptian cotton, and other articles used in manufacturing, and coffee, cocoa, tea, spices, olives, ananas, and sugar, used as food and drink. These classes of articles are of the class which "we can use without harm to our industries and labor." Sugar is the only article in this list produced in the United States, and at the present time the home production of sugar is only sufficient to supply about one-fifth of the total home consumption. The countries which produce these tropical and subtropical articles are not manufacturing countries, nor are they large producers of those great staples of food—flour, wheat, corn, and meats. As a consequence, they require the very classes of articles which the people of the United States have to sell.

#### Reciprocity Treaties Under the McKinley Law.

Under the McKinley tariff law reciprocity treaties were made by President Harrison with the governments of Brazil, British Guiana, Salvador, Nicaragua, Honduras, Guatemala, Santo Domingo, and the countries governing the British West Indies and Porto Rico and Cuba. These treaties provided for a reduction of duties on foodstuffs and manufactures from the United States entering the countries and islands in question, in exchange for the free importation of sugar, coffee, tea, and hides into the United States, as provided under the general terms of the McKinley act. The result of those treaties with this group of tropical countries, producing the class of articles which the United States requires and does not produce in sufficient quantities at home, was that our exports to those countries and islands increased 26 per cent and our imports from them increased 3 per cent between 1890, the year of the enactment of the McKinley law, and 1894, the year in which it was repealed by a Democratic Congress and a Democratic President, and reciprocity thus destroyed. During that same period our exports to all other countries than those above named increased 3 per cent and our imports from them decreased 27 per cent.

#### The Hawaiian Reciprocity Treaty.

Another example of reciprocity, that with countries producing the class of articles which we require and importing the class which we produce and desire to export, was the reciprocity treaty with the Hawaiian Islands. That treaty went into effect September 9, 1876, and terminated April 30, 1900. During that period of the existence of that agreement, our exports to the

Hawaiian Islands grew from \$779,257 in the fiscal year 1876 to \$13,509,148 in the fiscal year 1900, while imports from the Hawaiian Islands of noncompeting articles demanded by our markets—tropical products—increased from \$1,227,191 in 1876 to \$20,707,903 in 1900. Thus by taking from this tropical country—Hawaii—its production of articles which we must import from some part of the world, we built up in the Hawaiian Islands a market for our merchandise seventeen times as large as in 1876.

### Reciprocity.

The statements and tables which follow show in concise terms the experience of the United States with reciprocity. The principal treaties and agreements of the United States with other countries were, first, that with the British North American possessions, from 1855 to 1866; second, that with the Hawaiian Islands, from 1876 to 1900, the date of annexation; third, the series of agreements made under the tariff Act of 1890 and continuing in force until terminated by the Wilson Act of 1894; fourth, reciprocal agreements with certain European countries made under the Act of 1897; and, fifth, the reciprocity treaty with Cuba, taking effect in December, 1903, and still in operation. The details of the agreements with these various countries and under these various Acts are stated below, and in the accompanying tables is shown the commerce with each of the countries in question covering the years immediately prior to that in which the treaty took effect and continuing to the end of its operation or to the present time in the cases of those still in force. It will be noted that in the trade with Canada, *whose products are similar to our own*, the exports from the United States to that country made but slight increase during the existence of the treaty, but have grown rapidly since its termination. In the case of the Hawaiian Islands the exports thereto grew rapidly under the treaty and have grown with equal rapidity since annexation, which made permanent the freedom of interchange between that section producing tropical products required by the United States and requiring products of the temperate zone and of manufacturing industries such as those which the United States has to sell. In the countries with which reciprocity agreements were made under the Act of 1890, in nearly all cases tropical or subtropical countries, the exports thereto showed marked gains during the existence of the reciprocity treaties. In the case of the European countries with which reciprocity agreements were made under the Act of 1897, the growth in the trade while steady, seems to have been little affected by these agreements, which, as will be seen by the terms of the treaties, affected comparatively few articles.

In the trade with Cuba under the reciprocity treaty of 1903 there has been a marked growth in both imports from and exports to that island, as will be seen in the table showing trade with Cuba from 1880 to 1908. The relations with that island both commercial and otherwise, have been so varied during the last 20 years as to render interesting and important this statement of our trade therewith during that period and in the years immediately preceding. Under the reciprocity clause of the McKinley tariff act an agreement was made in June, 1891, with Spain, relative to Cuba and Porto Rico, by which sugar, molasses, coffee, and hides were admitted into the United States free of duty and in exchange for that privilege salted meats, fish, lard, woods for cooperage and manufactured into doors and frames, wagons, cars, sewing machines, manufactures of iron and steel and numerous other articles from the United States were admitted free of duty into Cuba; also that corn, corn meal, wheat flour and other articles should be admitted at reduced rates of duty. This agreement remained in force from September 1, 1891 to August 27, 1894. From the latter date until the United States assumed control of Cuba in 1898 no special agreements or relations affected trade between the United States and that island. American occupation of Cuba continued from January 1, 1899 at which date the Spanish evacuated the island and relinquished sovereignty, to May 20, 1902. On December 27, 1903, became effective the present reciprocity treaty with Cuba, under which a



reduction of 20 per cent is made in the rates of duty collected on all merchandise from Cuba entering the United States; and in return for that concession the Cuban rates of duty on articles from the United States entering that island are reduced 25 per cent on machinery and numerous other articles, 30 per cent on certain articles, 40 per cent on still other articles, and 20 per cent on other articles not included in the above classes or in the free list.

### Reciprocity Treaties and Agreements Between the United States and Foreign Countries Since 1850.

The following is a list of the reciprocity treaties and agreements which have been in force between the United States and foreign countries since 1850. Tables are also appended exhibiting our trade with those countries before, during, and after the period covered by the treaties.

#### Reciprocity treaties and agreements.

Countries with which reciprocity treaties and agreements have been made.	Signed—	Took effect—	Terminated—
British North American possessions (treaty).....	June 5, 1854.....	March 16, 1855.....	March 17, 1866.
Hawaiian Islands (treaty).....	January 30, 1875.....	September 9, 1876.....	April 30, 1900.
Brazil (agreement).....	January 31, 1891.....	April 1, 1891.....	
Santo Domingo (agreement).....	June 4, 1891.....	September 1, 1891.....	
Great Britain:			
Barbados (agreement).....	February 1, 1892.....	February 1, 1892.....	
Jamaica (agreement).....	.....do.....	.....do.....	
Leeward Islands (agreement).....	.....do.....	.....do.....	
Trinidad (including Tobago) (agreement).....	.....do.....	.....do.....	
Windward Islands (excepting Grenada) (agreement).....	.....do.....	.....do.....	
British Guiana (agreement).....	.....do.....	.....do.....	
Salvador (agreement).....	December 30, 1891.....	April 1, 1892.....	August 27, 1894.
Nicaragua (agreement).....	March 11, 1892.....	February 1, 1892 (provisional).....	
Honduras (agreement).....	April 29, 1892.....	March 12, 1892.....	
Guatemala (agreement).....	December 30, 1891.....	May 25, 1892 (provisional).....	
Spain, for Cuba and Porto Rico (agreement).....	June 16, 1891.....	May 30, 1892.....	
Switzerland (treaty of 1850).....	.....do.....	September 1, 1891 (provisional).....	
Austria-Hungary (agreement).....	May 25, 1892.....	June 1, 1898 <sup>a</sup> .....	March 23, 1900.
France (agreement).....	May 28, 1898.....	June 1, 1898.....	August 27, 1894.
Germany (agreement).....	{ January 30, 1892.....	June 1, 1898.....	Still in force.
Portugal and Azores and Madeira Islands (agreement).....	July 10, 1900.....	February 1, 1892.....	August 24, 1894.
Italy (agreement).....	May 22, 1900.....	July 13, 1900.....	Still in force.
Cuba (agreement).....	February 8, 1900.....	July 1, 1903.....	Do.
	December 17, 1903.....	June 12, 1900.....	Do.
		July 18, 1900.....	Do.
		December 27, 1903.....	Do.

<sup>a</sup>Under "most-favored-nation" clause of the treaty of 1850, proclaimed November 9, 1855.

There have been four distinct experiences with reciprocity in the trade relations of the United States:

(1) The reciprocity treaty with Canada, existing from 1855 to 1866. The treaty affected imports from Canada east and Canada west, Nova Scotia, New Brunswick, and Prince Edward Island, but did not affect imports from British Columbia and Newfoundland.

(2) The reciprocity treaty with the Hawaiian Government, existing from 1876 to 1900.

(3) The series of treaties framed under the McKinley tariff act of 1890 with Brazil, Dominican Republic, Spain (for Cuba and Porto Rico), in 1891; and with Germany, United Kingdom (for British West Indies and British Guiana), Nicaragua, Salvador, Austria-Hungary, Honduras, and Guatemala, in 1892. These continued in existence until the passage of the Wilson tariff act, August 27, 1894.

(4) The reciprocal agreements of 1900 with Germany, France, Portugal, and Italy, still in operation.

(5) The reciprocity treaty with Cuba, framed and ratified in 1903, and taking effect December 27, 1903.

The detailed provisions of these various reciprocity treaties may be briefly described in general terms as follows:

(1) The Canadian reciprocity treaty provided for the free admission into the United States from Canada, and the free admission into Canada from the United States, of breadstuffs, provisions, live animals, fruits, fish, poultry, hides and skins, furs, stone, ores and metals, timber and lumber, unmanufactured cotton, flax and hemp, unmanufactured tobacco—the list of articles being identical for each country.

(2) The Hawaiian reciprocity treaty provided for the free admission into the United States of sugar, molasses, and other of the principal tropical productions of the islands, and for the free admission into the islands of breadstuffs, provisions, manufactures, and general merchandise from the United States.

(3) In the group of treaties made in the years 1891 and 1892, under the act of 1890, the provisions were briefly as follows:

With Brazil the treaty provided for the free admission into the United States from Brazil of sugar, molasses, coffee, and hides, and the free admission into Brazil from the United States of breadstuffs, pork, fish, cotton-seed oil, coal, agricultural implements, machinery for mining and manufacturing, mechanical tools, material for railway construction, and numerous other articles, the product of the United States; also for a 25 per cent reduction in the rates of duty on certain other articles, including provisions, manufactures of iron and steel, leather, lumber, furniture, wagons and carriages, and manufactures of rubber.

With Cuba and Porto Rico the treaty provided for the free admission into the United States from Cuba and Porto Rico of sugar, molasses, coffee, and hides, and the admission to the islands from the United States, free of duty, of salted meats, fish, lard, woods for cooperage and manufactured into doors, frames, etc., wagons and carts, cars for railways, sewing machines, manufactures of iron and steel, oats and forage, and numerous other articles, the product of the United States; also corn and meal at 25 cents per hundred kilograms, wheat at 30 cents per hundred kilograms, flour at \$1 per hundred kilograms; also a reduction of 50 per cent of the duty on numerous other articles, especially manufactures.

With British West Indies the treaty provided for the free admission into the United States of sugar, molasses, coffee, and hides from the islands, and the free admission into the islands from the United States of live animals, canned or dried beef, fish, eggs, machinery for agriculture, irrigation, and mining; carts and wagons, wire, railway material and locomotives, fertilizers, fruits, sewing machines, and a large number of manufactures; also a reduction of 25 per cent in the rates of duty on beef and pork, salted, and provisions, and of 50 per cent on bacon and hams, lard, bread and biscuits, boots and shoes, shooks and staves, and other articles.

With the Dominican Republic and British Guiana, Nicaragua, Honduras, and Guatemala the provisions were similar to those with the West Indies.

With Germany the treaty provided for the free admission into the United States of sugar, molasses, coffee, and hides from Germany, and the free admission into Germany from the United States of bran, flax, feathers, hides and skins, tan bark, also a large list of articles at a fixed rate of duty, but in all cases below the regular tariff rates—the list including breadstuffs, lumber, provisions, live animals, fruits, and certain manufactures.

The treaty with Austria-Hungary was similar in general characteristics to that with Germany.

(4) The reciprocal agreements now existing between the United States and France, Portugal, Germany, and Italy, respectively, may be summarized as follows:

France: The United States reduces the rate of duty on crude tartar from France to 5 per cent ad valorem; on brandies or other spirits to \$1.75 per gallon; also a reduction on still wines and vermouth and on paintings to 15 per cent ad valorem; while the French Government gives its minimum tariff rates to canned meats, table fruits, dried fruits, lard, manufactured and prepared pork meats, hops, paving blocks, staves, and logs and sawed or squared timber and lumber from the United States.

Germany: The United States gives the same tariff rates as those named in the treaty with France on tartar, brandies, still wines, and paintings, and the German Government gives to the United States the

same tariff rates as those given to Belgium, Italy, Austria-Hungary, Roumania, Russia, and Switzerland during the existence of the present tariff treaties with them, and annuls its regulations regarding dried fruits from the United States, providing in their stead a system of inspection on account of the San Jose scale.

Portugal: The reductions on crude tartar, brandies, wines, and paintings accorded to Germany and France are given by the United States to Portugal, and the Portuguese Government gives to the United States as low rates of duty as those accorded to any other country, except Spain and Brazil, on breadstuffs, lard, mineral oils, agricultural implements, and certain machinery for manufacturing.

Italy: The above-named rates with reference to tartar, brandies, still wines, and paintings are given by the United States, and a reduction is made by the Italian Government on imports of cotton-seed oil, fish, machinery, scientific instruments, fertilizers, and skins.

(5) The treaty with Cuba which went into operation December 27, 1903, gives a reduction of 20 per cent duty on all dutiable articles from Cuba entering the United States and a reduction ranging from 20 to 40 per cent on articles from the United States entering Cuba.

**Republican reciprocity in non-competing articles and in nothing else.**—Hon. John Dalzell, in Congress, March 1, 1904.

**Protection brings together diversified industries which never fail to vastly increase the personal intelligence, industry, and wage earnings of the people.**—Hon. Justin S. Morrill.

**Many of our great industries, including the silk industry, the pottery industry, the carpet industry, and the steel-rail industry, had only a nominal existence until adequately protective duties were imposed on competing foreign products.**—James M. Swank, in the American Economist.

**The present phenomenal prosperity has been under a tariff which was made in accordance with certain fixed and definite principles, the most important of which is an avowed determination to protect the interests of the American producer, business man, wage-worker, and farmer alike.**—President Roosevelt at Minneapolis, April 4, 1903.

**The 3,000,000 of men who went out of employment with the revision of the tariff by the Democratic party found employment in the enactment of the Dingley law by the Republican party, and a million and a half have been added to those who have employment in the industries of the country.**—Hon. P. P. Campbell, in Congress, April 1, 1904.

**Those foreign countries which have adopted protection have, in the elements by which you have been accustomed to test the prosperity of a nation, improved in a greater ratio and more rapidly than we have ourselves; and I have also to point out that this tendency, which has become so manifest in recent years, is likely, as every sensible man of business knows, to be accentuated as time goes on.**—Hon. Jos. Chamberlain, at Liverpool, Oct. 27, 1903.

**The avowed policy of the National administration of these two Presidents has been and is to govern the Islands, having regard to the interest and welfare of the Filipino people, and by the spread of general primary and industrial education and by practice in partial political control to fit the people themselves to maintain a stable and well-ordered government affording equality of right and opportunity to all citizens.**—Hon. Wm. H. Taft, in special report to the President.

**Certain great trusts or great corporations are wholly unaffected by the tariff. Practically all the others that are of any importance have, as a matter of fact, numbers of smaller American competitors; and, of course, a change in the tariff which would work injury to the large corporation would work not merely injury but destruction to its smaller competitors; and equally, of course, such a change would mean disaster to all the wage-workers connected with either the large or the small corporations.**—President Roosevelt at Minneapolis, April 4, 1903.

**In the ten years which has elapsed since the enactment of the Dingley Tariff, the conditions have so changed as to make a number of the schedules under that tariff too high and some too low. This renders it necessary to re-examine the schedules in order that the tariff shall be placed on a purely protective basis. By that I mean it should properly protect, against foreign competition, and afford a reasonable profit to all manufacturers, farmers, and business men, but should not be so high as to furnish a temptation to the formation of monopolies to appropriate the undue profit of excessive rates.**—Hon. Wm. H. Taft, at Kansas City, Mo.

**One vital, dominating fact confronts the Democratic party which no oratory, which no eloquence, which no rhetoric can obscure: BRYAN'S NOMINATION MEANS TAFT'S ELECTION.**—New York World.



*Imports into and exports from the United States in its trade with countries with which reciprocity agreements have existed.*

HAWAIIAN ISLANDS.

[Treaty period, September 9, 1876-April 30, 1900; customs district of United States subsequent to 1900.]

Year ending June 30—	Imports into U. S. from—	Exports from U. S. to—	Year ending June 30—	Imports into U. S. from—	Exports from U. S. to—	Year ending June 30—	Imports into U. S. from—	Exports from U. S. to—	Year ending June 30—	Imports into U. S. from—	Exports from U. S. to—
	Dollars.	Dollars.		Dollars.	Dollars.		Dollars.	Dollars.		Dollars.	Dollars.
1870-----	1,134,723	808,416	1880-----	4,606,444	2,086,170	1890-----	12,313,908	4,711,417	1900-----	20,707,903	13,509,148
1871-----	1,143,244	838,615	1881-----	5,533,000	2,778,072	1891-----	13,895,597	5,107,212	1901-----	a-----	a-----
1872-----	1,280,833	633,764	1882-----	7,646,294	3,350,775	1892-----	8,075,882	3,781,628	1902-----	a-----	a-----
1873-----	1,275,061	674,191	1883-----	8,238,461	3,776,065	1893-----	9,146,767	2,827,663	1903-----	a-----	10,943,061
1874-----	1,016,952	614,628	1884-----	7,925,965	3,523,353	1894-----	10,065,317	3,306,187	1904-----	a-----	11,683,393
1875-----	1,227,191	662,164	1885-----	8,857,497	2,787,922	1895-----	7,888,961	3,723,057	1905-----	a-----	11,753,180
1876-----	1,376,631	769,662	1886-----	9,805,707	3,192,698	1896-----	11,757,704	3,985,707	1906-----	a-----	12,036,675
1877-----	2,550,335	1,272,949	1887-----	9,922,075	3,622,029	1897-----	13,687,799	4,690,075	1907-----	a-----	14,435,725
1878-----	2,678,830	1,736,039	1888-----	11,060,379	3,085,203	1898-----	17,187,380	5,907,155			
1879-----	3,257,938	2,374,918	1889-----	12,847,740	3,375,661	1899-----	17,831,463	9,305,470			

a No official figures available.

*Countries with which reciprocity agreements were made under act of 1890.*

Year ending June 30—	Guatemala. a		Honduras. b		Nicaragua. c		Salvador. d		British West Indies. e		Santo Domingo. f	
	Imports into U. S. from—	Exports from U. S. to—	Imports into U. S. from—	Exports from U. S. to—	Imports into U. S. from—	Exports from U. S. to—	Imports into U. S. from—	Exports from U. S. to—	Imports into U. S. from—	Exports from U. S. to—	Imports into U. S. from—	Exports from U. S. to—
	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.
1888-----	2,085,467	916,861	959,331	680,575	1,496,171	927,022	1,473,430	647,268	13,550,940	7,611,533	1,459,392	817,707
1889-----	2,340,685	994,701	1,215,561	637,175	1,747,246	1,009,637	1,662,162	701,196	15,985,562	8,388,106	1,454,261	1,180,019
1890-----	2,281,681	1,345,719	984,404	552,024	1,655,690	1,373,019	1,453,958	899,546	14,865,018	8,288,786	1,951,013	950,217
1891-----	2,618,199	1,997,944	1,159,591	640,921	1,705,961	1,692,912	1,783,066	1,150,460	16,293,184	9,779,138	1,610,360	1,023,751
1892-----	3,182,838	1,851,352	962,329	515,224	1,657,873	1,307,179	2,330,702	1,294,268	12,440,132	8,130,257	2,293,748	1,019,450
1893-----	2,554,710	1,763,862	684,912	471,695	1,400,236	937,859	1,355,730	1,138,430	16,028,592	8,044,846	2,396,315	1,143,479
1894-----	2,225,586	1,664,584	765,138	558,511	1,564,472	935,142	2,926,469	1,071,695	13,017,178	8,512,016	3,200,852	1,768,602
1895-----	2,699,384	2,665,408	872,312	645,781	1,538,792	1,073,467	3,174,677	1,260,628	9,777,144	7,764,178	1,514,583	1,861,067
1896-----	2,080,027	3,158,059	776,644	610,621	1,268,922	1,269,015	1,166,970	1,608,573	10,800,618	8,734,153	2,895,069	1,064,116
1897-----	1,862,589	3,947,181	847,230	724,991	1,202,701	1,190,695	1,112,534	1,619,598	12,285,885	7,943,299	2,369,324	1,098,635
1898-----	1,854,363	1,201,714	784,741	752,203	1,095,865	799,145	799,145	796,575	10,632,187	8,386,240	2,382,139	1,151,258
1899-----	2,111,264	1,102,963	911,849	832,016	1,514,630	1,049,505	1,085,703	625,414	14,150,482	8,751,817	3,125,779	1,104,013
1900-----	2,402,078	785,462	988,606	1,181,453	1,520,266	1,817,869	738,674	679,440	11,894,520	8,895,164	3,680,413	1,317,098
1901-----	3,512,445	1,424,814	1,282,317	1,115,009	2,035,636	1,489,194	1,037,715	738,722	12,851,325	8,876,052	3,553,776	1,799,685
1902-----	2,993,336	1,680,939	1,080,788	983,595	1,978,025	1,359,386	616,887	892,923	12,178,596	9,714,963	2,553,470	1,577,592
1903-----	2,400,063	1,128,045	1,375,997	956,164	1,865,297	1,398,723	891,987	798,261	13,450,248	10,126,221	2,883,676	1,371,758
1904-----	2,601,841	1,281,342	2,047,981	1,527,387	1,578,807	1,837,082	948,409	937,171	8,304,070	9,606,921	2,885,432	1,543,754
1905-----	3,386,317	2,954,622	2,111,312	1,730,345	1,513,877	1,944,556	1,113,169	1,318,426	10,437,022	10,030,288	4,664,209	1,666,789
1906-----	3,872,538	2,908,665	1,724,865	1,632,251	1,478,408	1,870,852	1,131,734	1,401,276	10,259,253	9,706,654	3,086,338	2,018,251
1907-----	3,872,538	2,848,864	2,296,556	1,833,056	1,028,166	1,923,111	1,171,187	1,603,166	12,191,852	10,755,139	3,370,899	2,509,317
1908g-----	2,500,000	1,700,000	2,500,000	1,800,000	1,100,000	1,600,000	1,000,000	1,500,000	12,000,000	13,000,000	4,800,000	2,600,000

a Treaty period May 30, 1892–August 27, 1894.

b Treaty period May 25, 1892–August 27, 1894.

c Treaty period March 12, 1892–August 27, 1894.

d Treaty period February 1, 1892–August 27, 1894.

e Treaty period February 1, 1892–August 27, 1894.

f Treaty period September 1, 1891–August 27, 1894.

g June, 1908, estimated.

Countries with which reciprocity agreements were made under act of 1897.

Year ending June 30—	France. a		Italy. b		Portugal. c		Switzerland. d	
	Imports into U. S. from—	Exports from U. S. to—	Imports into U. S. from—	Exports from U. S. to—	Imports into U. S. from—	Exports from U. S. to—	Imports into U. S. from—	Exports from U. S. to—
1895-----	Dollars. 61,580,509	Dollars. 45,149,187	Dollars. 20,851,761	Dollars. 16,363,125	Dollars. 1,690,668	Dollars. 2,971,396	Dollars. 14,988,954	Dollars. 17,578
1896-----	66,266,967	47,040,660	22,142,487	19,143,606	2,255,731	3,156,991	14,080,933	32,954
1897-----	67,530,231	57,594,541	19,067,352	21,502,423	2,234,291	2,520,058	13,849,782	70,871
1898-----	52,730,848	95,450,200	24,832,746	25,034,940	2,975,504	4,132,400	14,826,480	267,732
1899-----	62,146,055	60,596,899	20,332,637	23,290,558	2,605,370	3,532,057	11,380,835	263,970
1900-----	73,012,085	83,335,047	27,924,176	33,256,620	3,743,216	5,886,542	17,393,268	250,477
1901-----	75,458,739	78,714,927	24,618,384	34,473,189	3,370,430	5,294,240	15,709,400	255,360
1902-----	82,880,036	71,512,984	30,574,931	31,388,135	3,179,449	3,015,651	17,784,855	217,515
1903-----	90,070,172	77,285,239	36,246,412	35,032,080	3,483,562	3,652,194	21,183,328	205,697
1904-----	81,410,347	84,279,480	33,628,579	38,740,067	6,430,207	2,089,846	20,415,268	246,787
1905-----	89,830,445	76,337,471	33,158,042	35,720,001	5,243,587	1,935,118	19,534,439	271,255
1906-----	105,415,350	97,892,480	40,597,556	48,081,740	5,139,708	1,462,763	23,421,212	339,366
1907-----	127,803,407	113,601,692	50,455,157	61,746,965	6,479,500	2,787,422	26,830,474	612,579
1908-----	101,000,000	116,000,000	44,000,000	54,000,000	5,000,000	3,000,000	25,000,000	610,000

a Treaty period June 1, 1898—still in force.

b Treaty period July 18, 1900—still in force.

c Treaty period June 12, 1900—still in force.

d Treaty period June 1, 1898—March 23, 1900.

e June estimated.

The administration of exact justice by courts without fear or favor, unmoved by the influence of the wealthy or by the threats of the demagogue, is the highest ideal that a government of the people can strive for, and any means by which a suitor, however unpopular or poor, is deprived of enjoying this is to be condemned. It is important, however, that appeals to judicial remedies should be limited in such a way that parties will not use them merely to delay and so clog efficient and just executive or legislative action.—Hon. Wm. H. Taft, at Columbus, Ohio.

A protective tariff unquestionably increases the reward of labor (a) by creating a demand for skilled labor, (b) by diversifying the kinds of labor in a country and thus differentiating both demand and supply, and (c) by making for producers of every kind a home market. This increase of the laborer's reward is not confined to the protected industries, but elevates wages in every sphere (a) by the sympathetic effect of high wages generally, and (b) by withdrawing from the nonprotected industries and from agriculture a surplus of wage-earners who would divide and reduce wages if they competed against each other.—David J. Hill, D. C. LL. D., Ex-president University of Rochester and present Ambassador to Germany.



## Commerce between the United States and Canada, 1850 to 1908

[Official figures from Bureau of Statistics.]

Year ending June 30 -	Exports to Canada.	Imports to Canada.	Excess of—	
			Exports.	Imports.
	Dollars.	Dollars.	Dollars.	Dollars.
1850	9,515,991	5,179,530	4,336,491	-----
1851	11,787,092	5,279,718	6,490,374	-----
1852	10,229,608	5,469,445	4,760,163	-----
1853	12,423,121	6,527,559	5,905,038	-----
1854	24,157,612	8,784,412	15,288,996	-----
1855 a	27,741,808	15,118,289	12,623,519	-----
1856 a	29,025,349	21,276,614	7,748,735	-----
1857 a	24,138,482	22,108,916	2,029,566	-----
1858 a	23,694,526	15,784,836	7,819,690	-----
1859 a	28,109,494	19,287,565	8,821,929	-----
1860 a	22,695,928	23,572,796	-----	876,868
1861 a	22,676,513	22,724,489	-----	47,976
1862 a	20,573,070	18,511,025	2,062,045	-----
1863 a	27,619,814	17,484,786	10,135,028	-----
1864 a	26,574,624	29,608,736	-----	3,034,112
1865 a	28,829,402	33,264,103	-----	4,435,001
1866 a	24,828,880	48,528,628	-----	23,699,748
1867	21,020,302	25,044,005	-----	4,023,703
1868	24,080,777	26,261,379	-----	2,180,602
1869	23,381,471	29,293,766	-----	5,912,295
1870	25,339,254	36,265,328	-----	10,926,074
1871	32,276,176	32,542,137	-----	265,961
1872	29,411,454	36,346,930	-----	6,935,476
1873	32,534,984	37,175,254	-----	4,640,270
1874	41,827,904	34,173,586	7,654,318	-----
1875	34,547,219	27,867,615	6,679,604	-----
1876	33,375,719	28,805,964	4,569,755	-----
1877	37,418,315	24,164,755	13,253,560	-----
1878	37,146,682	25,044,811	12,101,871	-----
1879	29,604,385	25,719,771	3,884,614	-----
1880	29,460,257	32,988,564	-----	3,528,307
1881	37,903,322	37,684,101	219,221	-----
1882	36,500,403	50,775,581	-----	14,275,178
1883	44,417,110	44,294,153	122,952	-----
1884	44,306,196	38,399,835	5,906,361	-----
1885	38,245,634	36,695,685	1,549,949	-----
1886	33,462,800	37,301,036	-----	3,841,236
1887	34,988,110	37,847,277	-----	2,859,167
1888	35,882,383	42,924,554	-----	7,042,171
1889	40,607,561	42,738,074	-----	2,130,513
1890	40,282,108	39,042,977	1,239,131	-----
1891	38,147,778	39,087,782	-----	940,004
1892	43,299,787	34,954,203	8,345,584	-----
1893	46,794,332	37,777,463	9,016,869	-----
1894	56,664,094	30,790,916	25,873,178	-----
1895	52,854,769	36,574,327	16,280,442	-----
1896	59,687,921	40,887,565	18,800,356	-----
1897	64,928,821	40,309,371	24,619,450	-----
1898	83,714,086	31,870,486	51,843,600	-----
1899	87,974,961	31,220,967	56,753,994	-----
1900	95,319,970	39,369,074	55,950,896	-----
1902	100,642,993	48,076,124	61,566,869	-----
1903	123,266,788	54,781,418	68,485,370	-----
1901	105,789,214	42,482,163	63,307,051	-----
1904	131,234,985	51,562,791	79,632,194	-----
1905	140,529,531	62,469,632	78,059,949	-----
1906	156,736,685	68,237,653	88,499,032	-----
1907	183,206,067	73,334,615	109,871,452	-----

a Period of reciprocal trade.

**Protection alone insures American labor against European pauper wages.—Former Senator Casey, in the American Economist.**

**The civilized world substantially protects itself, thus forcing us to protect ourselves.—Hon. D. B. Henderson, in the American Economist.**

**We ask that sober and sensible men compare the workings of the present tariff law and the conditions which obtain under it with the workings of the preceding tariff law of 1894 and the conditions which that tariff of 1894 helped to bring about.—President Roosevelt's speech accepting 1904 nomination.**

**I believe that a navy is the greatest insurer of peace that we could possibly have—a navy commensurate with our resources, and commensurate with our coast line, and commensurate with the number of dependencies we have, and commensurate with our population, and commensurate with our influence as a world power.—Hon. Wm. H. Taft, at Cleveland, Ohio.**

*Trade of the United States with Cuba, 1880 to 1908.*

Fiscal year ending June 30—	Imports into the United States from—	Exports from the United States to—
	Dollars.	Dollars.
1880.....	65,423,018	11,225,699
1881.....	63,003,404	11,364,585
1882.....	70,450,652	12,134,824
1883.....	65,544,534	15,103,703
1884.....	57,181,497	10,910,753
1885.....	42,306,033	9,006,160
1886.....	51,110,780	10,409,170
1887.....	49,515,434	10,546,411
1888.....	49,319,087	10,053,550
1889.....	52,130,623	11,691,311
1890.....	53,801,591	13,084,415
1891.....	61,714,395	12,224,888
1892.....	77,931,671	17,953,470
1893.....	78,706,506	24,157,698
1894.....	75,678,261	20,125,321
1895.....	52,871,259	12,807,661
1896.....	40,017,730	7,530,880
1897.....	18,406,815	8,250,776
1898.....	15,232,477	9,561,656
1899.....	25,408,828	18,616,377
1900.....	31,371,704	26,513,400
1901.....	43,423,088	25,964,801
1902.....	34,694,634	26,623,500
1903.....	62,942,790	21,761,638
1904.....	76,983,418	27,377,465
1905.....	86,304,259	38,380,601
1906.....	84,979,821	47,763,688
1907.....	97,441,690	49,305,274
1908.....		

**TARIFF IN REPUBLICAN AND DEMOCRATIC PLATFORMS  
1860 to 1908.****REPUBLICAN TARIFF PLANKS.**

1860

While providing revenue for the support of the General Government by duties upon imports, sound policy requires such an adjustment of these imposts as to encourage the development of the industrial interests of the whole country; and we commend that policy of national exchanges which secures to the workingmen liberal wages, to agriculture remunerative prices, to mechanics and manufacturers an adequate reward for their skill, labor, and enterprise, and to the Nation commercial prosperity and independence.

(1864 and 1868 no special reference to tariff.)

1872

The annual revenue, after paying current expenditures, pensions, and the interest on the public debt, should furnish a moderate balance for the reduction of the principal, and that revenue, except so much as may be derived from a tax on tobacco and liquors, should be raised by duties upon importations, the details of which should be so adjusted as to aid in securing remunerative wages to labor, and promote the industries, prosperity, and growth of the whole country.

1876

The revenue necessary for current expenditures and the obligations of the public debt must be largely derived from duties upon importations, which, so far as possible, should be adjusted to promote the interests of American labor and advance the prosperity of the whole country.

1880

We reaffirm the belief avowed in 1876, that the duties levied for the purpose of revenue should so discriminate as to favor American labor.

1884

It is the first duty of a good Government to protect the rights and promote the interests of its own people. The largest diversity of industry is most productive of general prosperity and of the comfort and independence of the people. We, therefore, demand that the imposition of duties on foreign imports shall be made not "for revenue only," but that in raising the requisite revenues for the Government such duties shall be so levied as to afford security to our diversified industries and protection to the rights and wages of the laborer, to the end that active and intelligent labor, as well as capital, may have its just reward and the laboring man his full share in the national prosperity. Against the so-called economic system of the Democratic party, which would degrade our labor to the foreign standard, we enter our earnest protest. The Democratic party has failed completely to relieve the people of the burden of unnecessary taxation by a wise reduction of the surplus. The Republican party pledges itself to correct the inequalities of the tariff and to reduce the surplus, not by the vicious and indiscriminate process of horizontal reduction, but by such methods as will relieve the taxpayer without injuring the labor or the great productive interests of the country. We recognize the importance of sheep-husbandry in the United States, the serious depression which it is now experiencing and the danger threatening its future prosperity; and we, therefore, respect the demands of the representatives of this important agricultural interest for a readjustment of duties upon foreign wool in order that such industry shall have full and adequate protection.

1888

We are uncompromisingly in favor of the American system of protection; we protest against its destruction as proposed by the President and his party. They serve the interests of Europe; we will support the interests of America. We accept the issue and confidently appeal to the people for their judgment. The protective system must be maintained. Its abandonment has always been followed by general disaster to all interests, except those of the usurer and the sheriff. We denounce the Mills bill as destructive to the general business, the labor, and the farming interests of the country, and we heartily indorse the consistent and patriotic action of the Republican representatives in Congress in opposing its passage. We condemn the proposition of the Democratic party to place wool on the free list, and we insist that the duties thereon shall be adjusted and maintained so as to furnish full and adequate protection to that industry throughout the United States. The Republican party would effect all needed reduction of the national revenue by repealing the taxes upon tobacco, which are an annoyance and burden to agriculture, and the tax upon spirits used in the arts and for mechanical purposes, and by such revision of the tariff laws as will tend to check imports of such articles as are produced by our people, the production of which gives employment to our labor, and release from import duties those articles of foreign production (except luxuries) the like of which cannot be produced at home. If there shall still remain a larger revenue than is requisite for the wants of the Government, we favor the entire repeal of internal taxes rather than the surrender of any part of our protective system, at the joint behests of the whisky trusts and the agents of foreign manufactures.

1892

We reaffirm the American doctrine of protection. We call attention to its growth abroad. We maintain that the prosperous condition of our country is largely due to the wise revenue legislation of the last Republican Congress. We believe that all articles which cannot be produced in the United States, except luxuries, should be admitted free of duty, and that on all imports coming into competition with the products of American labor there should be levied duties equal to the dif-



ference between wages abroad and at home. We assert that the prices of manufactured articles of general consumption have been reduced under the operations of the tariff act of 1890.

We denounce the efforts of the Democratic majority of the House of Representatives to destroy our tariff laws by piecemeal, as manifested by their attacks upon wool, lead, and lead ores, the chief product of a number of States, and we ask the people for their judgment thereon.

1896

We renew and emphasize the allegiance to the policy of protection as the bulwark of American industrial independence and the foundation of American development and prosperity. This true American policy taxes foreign products and encourages home industry; it puts the burden of revenue on foreign goods; it secures the American market for the American producer; it upholds the American standard of wages for the American workingman; it puts the factory by the side of the farm, and makes the American farmer less dependent on foreign demand and price; it diffuses general thrift, and founds the strength of all on the strength of each. In its reasonable application it is just, fair, and impartial; equally opposed to foreign control and domestic monopoly, to sectional discrimination, and individual favoritism. We denounce the present Democratic tariff as sectional, injurious to the public credit, and destructive to business enterprise. We demand such an equitable tariff on foreign imports which come into competition with American products as will not only furnish adequate revenue for the necessary expenses of the Government, but will protect American labor from degradation to the wage level of other lands. We are not pledged to any particular schedules. The question of rates is a practical question, to be governed by the conditions of the time and of production; the ruling and uncompromising principle is the protection and development of American labor and industry. The country demands a right settlement, and then it wants rest.

1900

We renew our faith in the policy of Protection to American labor. In that policy our industries have been established, diversified, and maintained. By protecting the home market competition has been stimulated and production cheapened. Opportunity to the inventive genius of our people has been secured and wages in every department of labor maintained at high rates, higher now than ever before, and always distinguishing our working people in their better condition of life from those of any competing country. Enjoying the blessings of the American common school, secure in the right of self-government, and protected in the occupancy of their own markets, their constantly increasing knowledge and skill have enabled them to finally enter the markets of the world. We favor the associated policy of reciprocity so directed as to open our markets on favorable terms for what we do not ourselves produce in return for free foreign markets.

1904

Protection which guards and develops our industries, is a cardinal policy of the Republican party. The measure of protection should always at least equal the difference in the cost of production at home and abroad. We insist upon the maintenance of the principle of protection, and, therefore rates of duty should be readjusted only when conditions have so changed that the public interest demands their alteration, but this work cannot safely be committed to any other hands than those of the Republican party. To intrust it to the Democratic party is to invite disaster. Whether, as in 1892, the Democratic party declares the protective tariff unconstitutional, or whether it demands tariff reform or tariff revision, its real object is always the destruction of the protective system. However specious the name the purpose is ever the

same. A Democratic tariff has always been followed by business adversity; a Republican tariff by business prosperity. To a Republican Congress and a Republican President this great question can be safely intrusted. When the only free trade country among the great nations agitates a return to protection the chief protective country should not falter in maintaining it.

1908

The Republican Party declares unequivocally for the revision of the tariff by a special session of Congress immediately following the inauguration of the next President, and commends the steps already taken to this end in the work assigned to the appropriate committees of Congress which are now investigating the operation and effect of existing schedules. In all tariff legislation the true principle of protection is best maintained by the imposition of such duties as will equal the difference between the cost of production at home and abroad, together with a reasonable profit to American industries. We favor the establishment of maximum and minimum rates to be administered by the President under limitations fixed in the law, the maximum to be available to meet discriminations by foreign countries against American goods entering their markets, and the minimum to represent the normal measure of protection at home, the aim and purpose of the Republican policy being not only to preserve, without excessive duties, that security against foreign competition to which American manufacturers, farmers and producers are entitled, but also to maintain the high standard of living of the wage-earners of this country, who are the most direct beneficiaries of the protective system. Between the United States and the Philippines we believe in a free interchange of products with such limitations as to sugar and tobacco as will afford adequate protection to domestic interests.

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#### DEMOCRATIC TARIFF PLANKS.

1856

The time has come for the people of the United States to declare themselves in favor of free seas and progressive free trade throughout the world, and, by solemn manifestations, to place their moral influence at the side of their successful example.

1860

We, the Democracy of the Union, in convention assembled, hereby declare our affirmation of the resolutions unanimously adopted and declared as a platform of principles by the Democratic Convention in Cincinnati in the year 1856, believing that Democratic principles are unchangeable in their nature when applied to the same subject-matters.

1868

A tariff for revenue upon foreign imports, and such equal taxation under the Internal Revenue laws as will afford incidental protection to domestic manufactures, and as will, without impairing the revenue, impose the least burden upon and best promote and encourage the great industrial interests of the country.

1872

Recognizing that there are in our midst honest but irreconcilable differences of opinion with regard to the respective systems of protection and free trade, we remit the discussion of the subject to the people in the Congressional districts, and to the decision of the Congress thereon, wholly free from executive interference or dictation.

1876

We denounce the present tariff, levied upon nearly 4,000 articles, as a masterpiece of injustice, inequality, and false pretense. It yields a dwindling, not a yearly rising revenue.

It has impoverished many industries to subsidize a few. It prohibits imports that might purchase the products of American labor. It has degraded American commerce from the first to an inferior rank on the high seas. It has cut down the sales of American manufactures at home and abroad, and depleted the returns of American agriculture—an industry followed by half our people. It costs the people five times more than it produces to the Treasury, obstructs the process of production, and wastes the fruits of labor. It promotes fraud, fosters smuggling, enriches dishonest officials, and bankrupts honest merchants. We demand that all custom-house taxation shall be only for revenue.

1880

A tariff for revenue only.

1884

The Democratic party is pledged to revise the tariff in a spirit of fairness to all interests. But, in making the reduction in taxes, it is not proposed to injure any domestic industries, but rather to promote their healthy growth. From the foundation of this Government taxes collected at the custom-house have been the chief source of Federal revenue. Such they must continue to be. Moreover, many industries have come to rely upon legislation for successful continuance, so that any change of law must be at every step regardful of the labor and capital thus involved. The process of the reform must be subject in the execution to this plain dictate of justice—all taxation shall be limited to the requirements of economical government. The necessary reduction and taxation can and must be effected without depriving American labor of the ability to compete successfully with foreign labor and without imposing lower rates of duty than will be ample to cover any increased cost of production which may exist in consequence of the higher rate of wages prevailing in this country. Sufficient revenue to pay all the expenses of the Federal Government economically administered, including pensions, interest, and principal of the public debt, can be got under our present system of taxation from the custom-house taxes on fewer imported articles, bearing heaviest on articles of luxury and bearing lightest on articles of necessity. We, therefore, denounce the abuses of the existing tariff, and, subject to the preceding limitations, we demand that Federal taxation shall be exclusively for public purposes, and shall not exceed the needs of the Government economically administered.

1888

Our established domestic industries and enterprises should not and need not be endangered by the reduction and correction of the burdens of taxation. On the contrary, a fair and careful revision of our tax laws, with due allowance for the difference between the wages of American and foreign labor, must promote and encourage every branch of such industries and enterprises by giving them assurance of an extended market and steady and continuous operations. In the interests of American labor, which should in no event be neglected, the revision of our tax laws contemplated by the Democratic party should promote the advantage of such labor by cheapening the cost of necessities of life in the home of every workingman, and at the same time securing to him steady and remunerative employment. Upon this question of tariff reform, so closely concerning every phase of our national life, and upon every question involved in the problem of good government, the Democratic party submits its principles and professions to the intelligent suffrages of the American people.

1892

We denounce Republican protection as a fraud, a robbery of the great majority of the American people for the benefit of the few. We declare it to be a fundamental principle of the Democratic party that the Federal Government has no constitutional



power to impose and collect tariff duties, except for the purposes of revenue only; and we demand that the collection of such taxes shall be limited to the necessities of the Government when honestly and economically administered. We denounce the McKinley tariff law enacted by the Fifty-first Congress as the culminating atrocity of class legislation; we indorse the efforts made by the Democrats of the present Congress to modify its most oppressive features in the direction of free raw materials and cheaper manufactured goods that enter into general consumption, and we promise its repeal as one of the beneficent results that will follow the action of the people in trusting power to the Democratic party. Since the McKinley tariff went into operation there have been ten reductions of the wages of the laboring man to one increase. We deny that there has been any increase of prosperity to the country since that tariff went into operation, and we point to the dullness and distress, to the wage reductions and strikes in the iron trade as the best possible evidence that no such prosperity has resulted from the McKinley act. We call the attention of thoughtful Americans to the fact that after thirty years of restrictive taxes against the importation of foreign wealth in exchange for our agricultural surplus the homes and farms of the country have become burdened with a real estate mortgage debt of over two thousand five hundred million dollars exclusive of all other forms of indebtedness; that in one of the chief agricultural States of the West there appears a real estate mortgage debt averaging \$165 per capita of the total population, and that similar conditions and tendencies are shown to exist in the other agricultural exporting States. We denounce a policy which fosters no industry so much as it does that of the sheriff.

1896

We hold that tariff duties should be levied for purposes of revenue, such duties to be so adjusted as to operate equally throughout the country and not discriminate between class or section, and that taxation should be limited by the needs of the Government honestly and economically administered. We denounce, as disturbing to business, the Republican threat to restore the McKinley law, which has been twice condemned by the people in national elections, and which, enacted under the false plea of protection to home industry, proved a prolific breeder of trusts and monopolies, enriched the few at the expense of the many, restricted trade, and deprived the producers of the great American staples of access to their natural markets.

1900

We condemn the Dingley Tariff law as a trust-breeding measure, skillfully devised to give the few favors which they do not deserve and to place upon the many burdens which they should not bear. We reaffirm and indorse the principles of the National Democratic platform adopted at Chicago in 1896.

1904

The Democratic party has been, and will continue to be, the consistent opponent of that class of tariff legislation by which certain interests have been permitted, through Congressional favor, to draw a heavy tribute from the American people. This monstrous perversion of those equal opportunities which our political institutions were established to secure has caused what may once have been infant industries to become the greatest combinations of capital that the world has ever known. These especial favorites of the government have, through trust methods, been converted into monopolies, thus bringing to an end domestic competition, which was the only alleged check upon the extravagant profits made possible by the protective system. These industrial combinations, by the financial assistance they can give, now control the policy of the Republican party. We denounce protectionism as a robbery of the many to enrich the few, and we favor a tariff limited to the needs of the Government, economically, effectively, and constitutionally administered, and so levied as not to discriminate

against any industry, class, or section to the end that the burdens of taxation shall be distributed as equally as possible.

We favor a revision and a gradual reduction of the tariff by the friends of the masses and for the common weal and not by the friends of its abuses, its extortions, and its discriminations, keeping in view the ultimate end of "equality of burdens and equality of opportunities" and the constitutional purpose of raising a revenue by taxation, to wit, the support of the Federal Government in all its integrity and virility, but in simplicity.

1908

We welcome the belated promise of tariff reform now offered by the Republican party in tardy recognition of the righteousness of the Democratic position on this question; but the people can not safely entrust the execution of this important work to a party which is so deeply obligated to the highly protected interests as is the Republican party. We call attention to the significant fact that the promised relief is postponed until after the coming election—an election to succeed in which the Republican party must have that same support from the beneficiaries of the high protective tariff as it has always heretofore received from them; and to the further fact that during years of uninterrupted power no action whatever has been taken by the Republican Congress to correct the admittedly existing tariff iniquities. We favor the immediate revision of the tariff by the reduction of import duties. Articles entering into competition with trust-controlled products should be placed upon the free list, and material reduction should be made in the tariff upon the necessities of life, especially upon articles competing with such American manufactures as are sold abroad more cheaply than at home; and gradual reduction should be made in such other schedules as may be necessary to restore the tariff to a revenue basis. Existing duties have given to the manufacturers of paper a shelter behind which they have organized combinations to raise the price of pulp and paper, thus imposing a tax upon the spread of knowledge. We demand the immediate repeal of the tariff on wood pulp, print paper, lumber, timber and logs, and that these articles be placed upon the free list.

#### PETROLEUM DUTIES.

##### The Countervailing Duty on Petroleum—Originated in Democratic Tariff Act.

Much criticism has been made in recent years of the fact that the Dingley tariff law, so called, the law now in operation, places a duty on petroleum, or mineral oil, imported from countries which impose a duty on petroleum or its products exported from the United States; and the charge has been made by the Democrats that this was placed in the Dingley Tariff Act at the instance of, or through the secret workings of, the Standard Oil Company. If this be true it merely illustrates the danger of accepting, even in a single instance, a precedent or plan established by the Democratic party, since this proposition of placing a countervailing duty on petroleum from countries which impose duties on like products from the United States first made its appearance in the Wilson tariff Act of 1894. The provisions of the Wilson and Dingley Acts upon this subject are given below in parallel columns.

Tariff Act of August 27, 1894.  
(Wilson Tariff Act.)

"Petroleum, crude or refined, free: *Provided*, That if there be imported into the United States crude petroleum produced in any country which imposes a duty on petroleum or its products exported from the United States, there shall be levied, collected and paid upon said crude petroleum or its products so imported, forty per centum ad valorem."

Tariff Act of July 24, 1897.  
(Dingley Tariff Act.)

"Petroleum, crude or refined, free: *Provided*, That if there be imported into the United States crude petroleum or the products of crude petroleum produced in any country which imposes a duty on petroleum or its products exported from the United States, there shall in such cases be levied, paid, and collected a duty upon said crude petroleum or its products so imported equal to the duty imposed by such country."

It will be noted by a careful examination of the above that the countervailing duty proposition of the Dingley Act is precisely that of the Wilson Act, except that the Wilson Act made the rate of duty 40 per cent irrespective of the rate enforced against American petroleum, while the Dingley act makes the rate of duty the same as that imposed upon our petroleum by the country from which the product is imported.

**Number and Average Price and Total Value of Sheep in the United States in each year from 1880 to 1907.**

This table shows the number and total value of sheep in the United States in each year from 1880 to 1908 and the average value per head on January 1 of the years named. It will be noted that the number, the value per head, and the total value fell steadily from January 1 during the entire Democratic and low tariff period; the number falling from over 47 millions to less than 37 millions, the price per head, from \$2.66 in 1893 to \$1.58 in 1895; and the total value, from 125 million dollars in 1893 to 65 millions in 1896; while with the restoration of protection the number, price per head, and total value rapidly advanced: the number in 1908 being 54½ millions, against less than 37 millions in 1896; the price per head, \$3.89, against \$1.70 in 1896, and the total value 212 millions, against 65 millions in 1896; the value of the sheep in the United States having thus more than trebled in the 12 years since the election of McKinley.

[From report of Department of Agriculture.]

Year.	Number of sheep.	Average price per head.	Total value.
January 1—			
1880.....	40,765,900	\$2.21	\$90,230,537
1881.....	43,569,899	2.39	104,070,861
1882.....	45,016,224	2.37	106,595,954
1883.....	49,237,291	2.53	124,365,835
1884.....	50,626,626	2.37	119,902,706
1885.....	50,360,243	2.14	107,960,650
1886.....	48,322,331	1.91	92,443,867
1887.....	44,759,314	2.01	89,872,839
1888.....	43,544,755	2.05	89,279,928
1889.....	42,599,079	2.13	90,640,369
1890.....	44,336,072	2.27	100,659,761
1891.....	43,431,136	2.50	108,397,447
1892.....	44,938,365	2.58	116,121,290
1893.....	47,273,553	2.63	125,909,264
1894.....	45,048,017	1.98	89,188,110
1895.....	42,294,034	1.58	66,685,767
1896.....	38,298,783	1.70	65,167,735
1897.....	36,818,643	1.82	67,020,942
1898.....	37,656,960	2.46	92,721,133
1899.....	39,114,453	2.75	107,697,530
1900.....	41,883,065	2.93	122,665,913
1901.....	59,756,718	2.98	178,072,476
1902.....	62,039,091	2.65	164,446,091
1903.....	68,964,876	2.63	181,315,750
1904.....	51,630,144	2.59	133,530,099
1905.....	45,170,423	2.82	127,331,850
1906.....	50,631,619	3.54	179,056,144
1907.....	53,240,282	3.84	204,210,129
1908.....	54,631,000	3.88	211,736,000

**Wholesale Prices of Boots and Shoes, 1897 to 1902.**

The purpose of this table is to give opportunity to determine whether an advance in prices of boots and shoes followed the enactment of the Dingley law, which placed a duty of 15 per cent on hides imported. It will be seen that after the Act had been four years in operation, prices were in many cases materially less than in the first week of 1897, and prior to the enactment of the Dingley law; that in certain cases prices in 1902 were unchanged, while some others showed but a slight advance, indicating that no general advance occurred in the price of boots and shoes by reason of the duty placed on hides by the Dingley law. While prices advanced in later years coincidentally with the advance in price of labor and materials, the fact that no



advance occurred for four years after the imposition of the tariff on hides shows that that act did not affect home prices, but that recent advances are due to other causes.

*Wholesale prices of boots and shoes, 1897—1902.*

[From Dun's Review.]

a First week in—	Men's grain shoes.	Men's satin shoes.	Wax brogans No. 1.	Men's kip shoes.	Men's calf shoes.	Men's split boots.	Men's kip boots.	Men's calf boots.	Women's grain shoes.	Women's split shoes.
1897 Jan.-----	\$1.07½	\$1.17½	\$0.97½	\$1.10	\$1.75	\$1.30	\$1.35	\$2.25½	\$0.87½	\$0.85
April-----	1.05	1.17½	.92½	1.10	1.70	1.30	1.32½	2.15	.90	.67½
July-----	.97½	1.15	.90	1.05	1.70	1.25	1.27½	2.15	.85	.65
Oct-----	1.02½	1.17½	.95	1.10	1.77½	1.27½	1.32½	2.25	.90	.67½
1898 Jan.-----	1.02½	1.15	.92½	1.10	1.75	1.27½	1.32½	2.25	.87½	.67½
April-----	.97½	1.15	.92½	1.07½	1.70	1.25	1.30	2.22½	.85	.65
July-----	1.00	1.17½	.95	1.10	1.72½	1.27½	1.32½	2.27½	.85	.65
Oct-----	1.00	1.17½	.92½	1.10	1.70	1.27½	1.32½	2.25	.85	.65
1899 Jan.-----	.97½	1.12½	.92½	1.07½	1.70	1.25	1.30	2.22½	.85	.65
April-----	.95	1.12½	.92½	1.07½	1.70	1.22½	1.30	2.22½	.82½	.62½
July-----	1.00	1.15	.95	1.12½	1.70	1.27½	1.35	2.25	.85	.65
Oct-----	1.02½	1.17½	.97½	1.12½	1.70	1.27½	1.35	2.27½	.87½	.67½
1900 Jan.-----	1.12½	1.25	1.02½	1.17½	1.80	1.40	1.42½	2.37½	.97½	.75
April-----	1.12½	1.22½	1.02½	1.20	1.80	1.40	1.47½	2.35	.97½	.75
July-----	1.01½	1.17½	.97½	1.15	1.77½	1.35	1.40	2.30	.95	.72½
Oct-----	1.02½	1.12½	.95	1.12½	1.75	1.30	1.35	2.30	.90	.67½
1901 Jan.-----	1.05	1.15	.97½	1.15	1.75	1.32½	1.40	2.30	.92½	.67½
April-----	1.05	1.12½	.97½	1.15	1.75	1.30	1.37½	2.30	.92½	.67½
July-----	1.02½	1.10	.95	1.12½	1.72½	1.27½	1.35	2.27½	.92½	.67½
Oct-----	1.02½	1.10	.95	1.12½	1.72½	1.35	1.42½	2.30	.92½	.67½
1902 Jan.-----	1.05	1.12½	.97½	1.15	1.75	1.35	1.42½	2.30	.95	.70

a Prices quoted are for the dates nearest to the first of the month for which data are available.

**Coal Production in the United Kingdom, Germany and the United States.**

This table, showing the coal production and consumption in free trade United Kingdom and protective Germany and the United States from 1875 to 1906, is given with the purpose of indicating the relative growth of industries in the two countries under protective tariffs compared with that of free trade United Kingdom. It will be seen that the consumption of coal in free trade United Kingdom grew from 115 million tons to 174 mil-

lions; in protective Germany, from 47 million tons to 189 millions; and in protective United States, from 48 millions to 359 millions in the period under consideration.

*Coal production and consumption in the United Kingdom, Germany, and the United States, for the years named.*

Years.	United Kingdom.		Germany.		United States.	
	Production in gross tons of 2,240 lbs.	Consumption in gross tons of 2,240 lbs.	Production in gross tons of 2,240 lbs.	Consumption in gross tons of 2,240 lbs.	Production in gross tons of 2,240 lbs.	Consumption in gross tons of 2,240 lbs.*
1875-----	133,306,000	115,304,000	37,049,000	46,810,000	46,739,000	47,892,000
1880-----	146,969,000	123,067,000	58,185,000	56,102,000	63,823,000	60,670,000
1885-----	159,351,000	128,585,000	72,513,000	69,612,000	99,250,000	106,832,000
1890-----	181,614,000	142,954,000	87,881,000	89,364,000	140,867,000	125,117,481
1895-----	189,661,000	146,754,000	102,317,000	104,204,000	172,426,000	149,901,000
1900-----	225,181,000	166,776,000	147,423,000	147,439,000	240,789,000	221,067,000
1901-----	219,047,000	161,264,000	150,603,000	149,736,000	261,875,000	256,374,000
1902-----	227,095,000	166,694,000	148,222,000	146,436,000	269,277,000	266,143,000
1903-----	230,334,000	166,529,000	159,892,000	157,250,000	319,068,000	312,009,000
1904-----	232,428,000	166,606,000	166,775,000	163,773,000	314,122,000	306,136,000
1905-----	236,129,000	168,968,000	171,067,000	170,248,000	350,645,000	342,571,000
1906-----	251,068,000	174,279,000	190,482,000	188,626,000	369,783,000	359,131,000

\* Inclusive of bunker coal laden on vessels in the foreign trade.

Note.—The amount of British bunker coal loaded on vessels in the foreign trade not found prior to 1875.

**Trade Balances under Protective and Low Tariffs, Respectively, 1790-1908.**

This table shows the excess of exports or imports in the trade of the United States in each year from 1789 to date, all years in which low tariffs were in operation being shown in one column and all those in which protective tariffs were in operation shown in another column. In 49 of the 60 years of low tariffs imports exceeded exports, and the net excess of importations under low tariffs from 1790 to date was \$514,954,941. In 36 of the 59 years of protective tariffs exports exceeded imports, the net excess of exports under protective tariffs being \$5,933,348,822, against a net excess of imports under low tariffs of \$514,954,941. *The excess of exports over imports in the fiscal year 1908 was the largest in the history of our commerce.*

Attention is especially called to the brief statement which immediately follows this table, comparing the net excess of exports over imports in the 11 years since the inauguration of President McKinley with the 109 years prior to his inauguration. It will be seen that the *net excess of exports over imports from 1790 to March 1, 1897, was \$383,028,497, and the net excess of exports over imports from March 1, 1897, to March 1, 1908, is \$5,550,550,773, or more than 14 times in the 11 years from 1897 to 1908 as much as in the entire 109 years preceding that date.*

I believe in the doctrine of protection because the facts of our national experience thoroughly exemplify its truth. No great American statesman, except the half-forgotten leaders of the slave power, have disowned the protective system.—Hon. J. P. Dolliver, in the American Economist.

If we assume control over a people merely in the spirit of conquest and merely to extend our control and merely from the lust of power, then we may be properly denounced as imperialists; but if we assume control over a people for the benefit of that people and with the purpose of developing them to a self-governing capacity, and with the intention of giving them the right to become independent when they shall show themselves fit, then the charge that we are imperialists is utterly without foundation.—Hon. Wm. H. Taft, at Cleveland, Ohio.

One vital, dominating fact confronts the Democratic party which no oratory, which no eloquence, which no rhetoric can obscure: BRYAN'S NOMINATION MEANS TAFT'S ELECTION.—New York World.





**Surplus or Deficit under Low and Protective Tariffs.  
Respectively, from 1790 to 1907.**

This table shows the deficit or surplus of revenue in each year from 1790 to date, the years in which low tariffs existed being stated in one column and those in which protective tariffs existed in another column. It will be noted that protective tariffs have produced a surplus of revenue in practically every year except those of war periods or some other extraordinary expenditures such as the Panama canal. The deficit of the fiscal year 1908, while due in part to the heavy expenditures including the Panama canal, is chiefly the result of the unexpected falling off in importation of dutiable articles (and therefore of customs receipts), the result of the financial depression beginning with October, 1907. It will be noted that deficits occurred in 24 of the 57 years in which low tariffs were in existence and in but 15 of the 60 years of protection, and that nearly all these were war years.

**Tariffs and Revenues, 1790 to 1907.**

*Years in which low tariffs and protective tariffs, respectively, have been in operation in the United States, showing the excess of expenditures or receipts of the Government in each year.*

[Compiled from official statements of the Treasury Department.]

Low tariffs.			Protective tariffs.		
Fiscal year—	Deficit.	Surplus.	Fiscal year—	Deficit.	Surplus.
1791.....		\$1,312,499	1813.....	\$17,341,442	} War period.
1792.....	\$4,599,900		1814.....	23,539,300	
1793.....		805,993	1815.....	17,246,744	
1794.....	865,917		1816.....		
1795.....	1,195,036		1825.....		\$16,480,630
1796.....		2,586,879	1826.....		5,983,640
1797.....		2,680,154	1827.....		8,222,575
1798.....		292,909	1827.....		6,827,198
1799.....	1,749,004		1828.....		8,369,087
1800.....		34,778	1829.....		9,643,574
1801.....		3,541,831	1830.....		9,702,008
1802.....		7,019,542	1831.....		13,289,004
1803.....		3,111,811	1832.....		14,578,500
1804.....		3,188,399	1833.....		10,930,874
1805.....		4,546,344	1843.....	3,549,091	
1806.....		6,110,753	1844.....		6,837,148
1807.....		8,043,868	1845.....		7,034,278
1808.....		7,999,249	1846 (half year)		1,214,392
1809.....	2,507,273		1862.....	417,650,981	} War period.
1810.....		909,461	1863.....	606,639,331	
1811.....		6,244,594	1864.....	621,556,130	
1812.....	10,479,638		1865.....	973,068,131	
1817.....		13,108,157	1866.....		927,208
1818.....		1,566,543	1867.....		116,317,354
1819.....		3,091,370	1868.....		6,095,320
1820.....	44,685		1869.....		35,997,658
1821.....	1,276,173		1870.....		102,302,820
1822.....		5,231,996	1871.....		91,270,711
1823.....		5,834,036	1872.....		94,131,534
1824.....	832,489		1873.....		36,938,348
1834.....		3,164,365	1874.....	1,241,799	
1835.....		17,857,274	1875.....		9,397,379
1836.....		19,958,632	1876.....		24,965,500
1837.....	12,289,061		1877.....		39,666,167
1838.....	7,562,152		1878.....		20,482,449
1839.....		4,585,967	1879.....		5,374,253
1840.....	4,834,402		1880.....		68,678,864
1841.....	9,621,657		1881.....		101,130,658
1842.....	5,158,689		1882.....		145,543,811
1846 (half year)		1,219,392	1883.....		132,879,444
1847.....	28,453,331	} War period.	1884.....		104,393,626
1848.....	11,919,521		1885.....		63,463,775
1849.....	12,778,001		1886.....		93,956,589
1850.....			1887.....		103,471,098
1851.....		2,644,506	1888.....		119,612,116
1852.....		4,803,561	1889.....		105,053,443
1853.....		5,456,563	1890.....		105,344,496
1854.....		13,843,043	1891.....		37,239,763
1855.....		18,761,986	1892.....		9,914,454
1856.....		6,719,912	1893.....		2,341,674
1857.....		5,330,349	1894.....	69,803,261	} War period.
1858.....		1,330,904	1898.....	38,047,247	
1859.....	27,327,126		1899.....	89,111,560	
1860.....	16,216,492		1900.....		79,536,060
1861.....	7,146,276		1901.....		77,717,984
1862.....	25,173,914		1902.....		91,287,376
1895.....	42,895,223		1903.....		54,297,667
1896.....	25,203,246		1904.....	41,770,571	
1897.....	18,052,455		1905.....	23,004,228	
			1906.....		25,669,322
			1907.....		84,236,586
			1908.....	59,656,362	

TABLE No. 1—Total value of imports and exports into and from the United States from October 1, 1789, to June 30, 1907, under low and protective tariffs, respectively.

Adminis- tration.	Fiscal year.	Merchandise.				Fiscal year.	Tariffs.
		Imports.	Exports.	Excess of imports.	Excess of exports.		
Washington.	1790.	\$23,000,000	\$20,205,156	\$2,794,884		1790.	Formative.
	1791.	29,200,000	19,012,041	10,187,959		1791.	
	1792.	31,500,000	20,753,098	10,746,902		1792.	
	1793.	31,100,000	26,109,572	4,990,428		1793.	
	1794.	34,600,000	33,043,725	1,556,275		1794.	
	1795.	69,756,268	47,989,872	21,766,396		1795.	
	1796.	81,436,164	58,574,625	22,861,539		1796.	
	1797.	75,379,406	51,294,710	24,084,696		1797.	
	1798.	68,551,700	61,327,411	7,224,289		1798.	
	1799.	79,069,148	78,665,522	403,626		1799.	
Adams.	1800.	91,252,768	70,971,780	20,280,988		1800.	Formative.
	1801.	111,363,511	93,020,513	18,342,998		1801.	
	1802.	76,333,333	71,957,144	4,376,189		1802.	
	1803.	64,666,666	55,800,033	8,866,633		1803.	
	1804.	85,000,000	77,699,074	7,300,926		1804.	
	1805.	120,600,000	95,566,021	25,033,979		1805.	
	1806.	129,410,000	101,536,963	27,873,037		1806.	
	1807.	138,500,000	108,343,150	30,156,850		1807.	
	1808.	56,990,000	22,430,960	34,559,040		1808.	
	1809.	59,400,000	52,203,233	7,196,767		1809.	
Jefferson.	1810.	85,400,000	66,757,970	18,642,030		1810.	Protective.
	1811.	53,400,000	61,316,832		\$7,916,832	1811.	
	1812.	77,030,000	38,527,236	38,502,764		1812.	
	1813.	22,005,000	27,856,017		5,851,017	1813.	
	1814.	12,965,000	6,927,441	6,037,559		1814.	
	1815.	113,041,274	52,557,753	60,483,521		1815.	
	1816.	147,103,000	81,920,052	65,182,948		1816.	
	1817.	99,250,000	87,671,569	11,578,431		1817.	
	1818.	121,750,000	93,281,133	28,468,867		1818.	
	1819.	87,125,000	70,142,521	16,982,479		1819.	
Madison.	1820.	74,450,000	69,691,669	4,758,331		1820.	Low.
	1821.	54,520,834	54,596,323		75,489	1821.	
	1822.	79,871,695	61,350,101	18,521,594		1822.	
	1823.	72,481,371	68,326,043	4,155,328		1823.	
	1824.	72,169,172	68,972,105	3,197,067		1824.	
	1825.	90,189,310	90,738,333		549,023	1825.	
	1826.	79,093,511	72,890,789	5,202,722		1826.	
	1827.	71,332,938	74,309,947		2,977,009	1827.	
	1828.	81,029,083	64,021,210	16,998,873		1828.	
	1829.	67,088,915	67,434,651		345,736	1829.	
Monroe.	1830.	62,720,956	71,670,735		8,949,779	1830.	Protective.
	1831.	95,885,179	72,295,652	23,589,527		1831.	
	1832.	95,121,762	81,520,603	13,601,159		1832.	
	1833.	101,047,943	87,528,732	13,519,211		1833.	
	1834.	108,609,700	102,260,215	6,349,485		1834.	
	1835.	136,764,295	115,215,802	21,548,493		1835.	
	1836.	176,579,154	124,338,704	52,240,450		1836.	
	1837.	180,472,803	111,443,127	19,029,676		1837.	
	1838.	95,970,288	104,978,570		9,008,282	1838.	
	1839.	156,496,956	112,251,673	44,245,283		1839.	
Adams.	1840.	98,258,706	123,668,932		25,410,226	1840.	Low.
	1841.	122,957,544	111,817,471	11,140,073		1841.	
	1842.	96,075,071	99,877,995		3,802,924	1842.	
	1843.	42,433,464	82,825,689		40,392,225	1843.	
	1844.	102,604,606	105,745,832		3,141,226	1844.	
	1845.	113,184,322	106,040,111	7,144,211		1845.	
	1846.	117,914,065	109,583,248	8,330,817		1846.	
	1847.	122,424,349	156,741,598		34,317,249	1847.	
	1848.	148,638,644	138,190,515	10,448,129		1848.	
	1849.	141,206,199	140,351,172	855,027		1849.	
Jackson.	1850.	173,509,526	144,375,726	29,133,800		1850.	Protective.
	1851.	210,771,429	188,915,259	21,856,170		1851.	
	1852.	207,440,398	166,984,231	40,456,167		1852.	
	1853.	263,777,265	203,489,282	60,287,983		1853.	
	1854.	297,803,794	237,043,764	60,760,030		1854.	
	1855.	257,808,708	218,909,503	38,899,205		1855.	
	1856.	310,432,310	281,219,423	29,212,887		1856.	
	1857.	384,428,342	293,823,760	54,604,582		1857.	
	1858.	263,338,654	272,011,274		8,672,620	1858.	
	1859.	331,333,341	292,902,051	38,431,290		1859.	
Van Buren.	1860.	353,616,119	333,576,057	20,040,062		1860.	Low.
	1861.	289,310,542	219,553,833	69,756,709		1861.	
	1862.	189,356,677	190,670,501		1,313,824	1862.	
	1863.	243,335,815	203,964,447	39,371,368		1863.	
	1864.	316,447,233	158,837,988	157,609,295		1864.	
	1865.	238,745,580	166,029,303	72,716,277		1865.	
	1866.	434,812,066	348,859,522	85,952,544		1866.	
	1867.	395,761,096	291,506,141	101,254,955		1867.	
	1868.	357,436,440	281,952,899	75,483,541		1868.	
	1869.	417,506,379	286,117,697	131,388,682		1869.	
Fillmore.	1870.	435,958,408	392,771,768	43,186,640		1870.	Protective.
	1871.	520,223,684	442,820,178	77,403,506		1871.	
	1872.	626,595,077	444,177,586	182,417,491		1872.	
	1873.	642,136,210	522,479,922	119,656,288		1873.	
	1874.	567,406,342	586,283,040		18,876,698	1874.	
	1875.	533,005,436	513,442,711	19,562,725		1875.	
	1876.	460,741,190	540,384,671		79,643,481	1876.	



TABLE No. 1—Total value of imports and exports into and from the United States from October 1, 1789, to June 30, 1907, under low and protective tariffs, respectively—Continued.

Adminis- tration	Fiscal year.	Merchandise.				Fiscal year.	Tariffs.
		Imports.	Exports.	Excess of imports.	Excess of exports.		
Hayes. Arthur.	1877--	451,323,126	602,475,220	-----	151,152,904	1877--	Protecti. e.
	1878--	437,051,532	694,865,766	-----	257,814,234	1878--	
	1879--	445,777,775	710,439,441	-----	264,661,666	1879--	
	1880--	667,954,746	835,638,658	-----	167,683,912	1880--	
	1881--	642,664,628	902,377,346	-----	259,712,718	1881--	
	1882--	724,639,574	750,542,257	-----	25,902,683	1882--	
	1883--	723,180,914	823,839,402	-----	100,658,488	1883--	
	1884--	667,697,693	740,513,609	-----	72,815,916	1884--	
	1885--	577,527,329	742,189,755	-----	164,662,426	1885--	
	1886--	635,436,136	679,524,830	-----	44,088,694	1886--	
Cleve- land. Har- rison.	1887--	692,319,768	716,183,211	-----	23,863,443	1887--	Pro- tec- tive.
	1888--	723,957,114	695,954,507	28,002,607	-----	1888--	
	1889--	745,131,652	742,401,375	2,730,277	-----	1889--	
	1890--	789,310,409	857,828,684	-----	68,518,275	1890--	
	1891--	844,916,196	884,480,810	-----	39,564,614	1891--	
	1892--	827,402,462	1,030,278,148	-----	202,875,686	1892--	
	1893--	866,400,922	847,665,194	18,735,728	-----	1893--	
	1894--	654,994,622	892,140,572	-----	237,145,950	1894--	
	1895--	731,969,965	807,538,165	-----	75,568,200	1895--	
	1896--	779,724,674	882,606,938	-----	102,882,264	1896--	
Mc- Kinley.	1897--	764,730,412	1,050,993,556	-----	286,263,144	1897--	Low.
	1898--	616,049,654	1,231,482,330	-----	615,432,676	1898--	
	1899--	697,148,489	1,227,023,302	-----	529,874,813	1899--	
	1900--	849,941,184	1,394,483,082	-----	544,541,898	1900--	
	1901--	823,172,165	1,487,764,991	-----	664,592,826	1901--	
	1902--	903,320,948	1,381,719,401	-----	478,398,453	1902--	
	1903--	1,025,719,237	1,420,141,679	-----	394,422,442	1903--	
	1904--	991,087,371	1,460,827,271	-----	469,739,900	1904--	
	1905--	1,117,513,071	1,518,561,666	-----	401,048,595	1905--	
	1906--	1,226,562,446	1,743,864,500	-----	517,302,054	1906--	
Roosevelt.	1907--	1,434,421,425	1,880,851,078	-----	446,429,653	1907--	Protective.
	1908--	1,194,341,792	1,860,778,346	-----	664,431,554	1908--	
Total.....		40,243,189,595	46,328,278,311	-----	6,085,088,716	-----	

Protection steadily enlarges the home market for farm products.—Hon. L. R. Casey.

I am a protectionist because our country has prospered with protection and languished without it.—Hon. B. F. Jones, in the American Economist.

As a result in a large degree of our protective tariff system, the United States has become one of the foremost nations of the world.—Hon. S. M. Cullom.

The present business system of the country rests on the protective tariff and any attempt to change it to a free trade basis will certainly lead to disaster.—Hon. Wm. H. Taft, at Columbus, Ohio.

The Republican principle of the protective tariff is, as I understand it, that through the customs revenue law a tariff should be collected on all imported products that compete with American products, which will at least equal a difference in the cost of production in this country and abroad, and that proper allowance should be made in this difference for the reasonable profits to the American manufacturer.—Hon. Wm. H. Taft, at Columbus, Ohio.

We shall continue our American system of Protection developed and perfected by the Republican party. We shall continue to raise a large portion of our revenues and at the same time protect our labor and industries by adequate and equitable duties on competing imports. We shall continue to maintain the highest wage scale on earth and keep our standard of living the best of all nations through the home market that is, and I believe always will be, the envy of the civilized world.—Hon. James S. Sherman.

Under our policy of free trade we have lost that commercial and industrial superiority we acquired under the policy of strict protection. Our policy of direct taxation bears heavily upon our industries and reacts on the working classes in reduction of wages and employment. Our agriculture has been ruined and our industries are struggling hard for existence. Other nations, under a policy of strict protection, are beating us in the race of competition, not only in neutral, but in our own markets.—Sir Guilford L. Molesworth on Free Trade in England.

One vital, dominating fact confronts the Democratic party which no oratory, which no eloquence, which no rhetoric can obscure: BRYAN'S NOMINATION MEANS TAFT'S ELECTION.—New York World.



*Receipts and expenditures of the United States Government from  
1791 to 1907.*

[From official reports of the United States Government, 1907.]

Admin- istra- tion.	Year ending Dec. 31—	Total net ordinary receipts.	Total net ordinary expenditures.	Excess of receipts.	Excess of expendi- tures.	Tariffs.
Washington.	1791—	\$4,409,951.19	\$3,097,425.55	\$1,312,498.64		
	1792—	3,669,960.31	8,269,860.75		\$4,599,900.44	
	1793—	4,652,923.14	3,846,929.90	805,993.24		
	1794—	5,431,904.87	6,297,822.04		805,917.17	
	1795—	6,114,534.59	7,309,600.78		1,195,066.19	
	1796—	8,377,529.65	5,790,650.83	2,586,878.82		
	1797—	8,688,780.99	6,008,627.25	2,680,153.74		
	1798—	7,900,495.80	7,607,586.32	292,909.48		
	1799—	7,546,813.31	9,295,818.13		1,749,004.82	
	1800—	10,848,749.10	10,813,971.01	34,778.09		
	1801—	12,935,330.95	9,393,499.96	3,541,830.99		
Adams.	1802—	14,995,793.95	7,976,252.07	7,019,541.88		
	1803—	11,064,097.63	7,952,286.60	3,111,811.03		
	1804—	11,826,307.38	8,637,907.65	3,188,399.73		
	1805—	13,560,693.20	9,014,348.84	4,546,344.36		
	1806—	15,559,931.07	9,449,177.62	6,110,753.45		
	1807—	16,398,019.26	8,354,151.37	8,043,867.89		
	1808—	17,060,661.93	9,061,413.06	7,999,248.87		
	1809—	7,773,473.12	10,280,747.04		2,507,273.92	
	1810—	9,384,214.28	8,474,753.37	909,460.91		
	1811—	14,222,634.00	8,178,040.43	6,044,593.66		
	1812—	9,801,132.76	20,280,771.27		10,479,638.51	
Jefferson.	1813—	14,340,409.95	31,681,852.14		17,341,442.19	
	1814—	11,181,625.16	34,720,925.42		23,539,300.26	
	1815—	15,696,916.82	32,943,661.24		17,246,744.42	
	1816—	47,676,985.66	31,196,355.92	16,480,629.74		
Madison.	1817—	33,099,049.74	19,990,892.47	13,108,157.27		
	1818—	21,535,171.04	20,018,627.81	1,566,543.23		
	1819—	24,603,374.37	21,512,004.00	3,091,370.37		
	1820—	17,840,669.55	18,285,534.89		444,865.34	
Monroe.	1821—	14,573,379.72	15,340,552.86		1,276,173.14	
	1822—	20,232,427.94	15,000,432.30	5,231,995.64		
	1823—	20,540,666.26	14,706,629.99	5,834,036.27		
	1824—	19,381,212.79	20,273,702.64		892,489.85	
Adams.	1825—	21,840,858.02	15,857,217.34	5,983,640.68		
	1826—	25,260,434.21	17,037,850.22	8,222,574.99		
	1827—	22,966,363.96	16,139,167.16	6,827,196.80		
	1828—	24,763,929.23	16,394,842.05	8,369,087.18		
Jackson.	1829—	24,827,627.38	15,184,053.63	9,643,573.75		
	1830—	24,844,116.52	15,142,108.26	9,702,008.25		
	1831—	28,526,820.82	15,237,816.64	13,289,004.18		
	1832—	31,867,450.66	17,288,950.27	14,578,500.39		
Van Buren.	1833—	33,948,426.25	23,017,551.98	10,930,874.27		
	1834—	21,791,935.55	18,627,570.23	3,164,365.32		
	1835—	35,430,087.10	17,572,813.36	17,857,273.74		
	1836—	50,826,796.08	30,868,164.04	19,958,632.04		
Harrison.	1837—	24,954,153.04	37,243,214.24		12,289,061.20	
	1838—	26,302,531.74	33,864,714.53		7,562,152.82	
	1839—	31,482,749.61	26,896,782.62	4,585,966.99		
	1840—	19,480,115.33	24,314,518.19		4,834,402.86	
Tyler.	1841—	16,860,160.27	26,481,817.84		9,621,657.57	
	1842—	19,976,197.25	25,134,886.44		5,158,689.19	
	1843*—	8,231,001.26	11,780,092.51		3,549,091.25	
	1844—	29,320,707.78	22,483,560.14	6,837,147.64		
Polk.	1845—	29,970,105.80	22,935,827.79	7,034,278.01		
	1846—	29,699,967.74	27,261,182.86	2,438,784.88		
	1847—	26,467,403.16	54,920,734.09		28,453,330.93	
	1848—	35,698,699.21	47,618,220.65		11,919,521.44	
Fillmore.	1849—	30,721,077.50	43,499,078.30		12,778,000.89	
	1850—	43,692,888.88	40,948,383.12	2,644,505.76		
	1851—	52,555,039.33	47,751,478.41	4,803,560.92		
	1852—	49,846,815.60	44,390,252.36	5,456,563.24		
Pierce.	1853—	61,587,031.68	47,743,989.09	13,843,042.59		
	1854—	73,800,341.40	55,038,355.11	18,761,986.29		
	1855—	65,350,574.68	58,630,662.71	6,719,911.97		
	1856—	74,056,699.24	68,726,350.01	5,330,349.23		
Buchanan.	1857—	68,965,312.57	67,631,408.93	1,333,903.64		
	1858—	46,655,365.96	73,982,492.84		27,327,126.88	
	1859—	52,777,101.92	68,993,599.77		16,216,491.85	
	1860—	56,054,599.83	63,200,875.65		7,146,275.82	
Lincoln.	1861—	41,476,290.49	66,650,213.08		25,173,913.59	
	1862—	51,919,261.09	469,570,241.05		417,650,980.56	
	1863—	112,094,945.51	718,734,276.18		606,639,330.67	
	1864—	243,412,971.20	864,969,100.83		621,556,129.63	
Johnson.	1865—	322,031,158.19	1,295,099,289.58		973,068,131.39	
	1866—	519,949,564.38	519,022,356.34	927,208.04		
	1867—	462,846,679.92	346,729,825.78	116,117,854.14		
	1868—	376,434,453.82	370,339,123.82	6,095,320.00		
Grant.	1869—	357,188,250.09	321,190,597.75	35,997,652.34		

Formulative period.

Protective.

Low.

Protective.

Low.

Protective.

Low.

Protective.

## Receipts and expenditures of the United States Government from 1791 to 1907—Continued.

Admin- istra- tion.	Year ending Dec. 31—	Total net ordinary receipts.	Total net ordinary expenditures.	Excess of receipts.	Excess of expendi- tures.	Tariffs.
Grant.	1870....	395,959,833.87	293,657,005.15	102,302,828.72	-----	Protective.
	1871....	374,491,104.94	283,160,393.51	91,270,711.43	-----	
	1872....	364,694,229.91	270,559,695.91	94,134,534.00	-----	
	1873....	322,177,673.78	285,239,325.34	36,938,348.44	-----	
	1874....	299,941,000.84	301,238,800.21	-----	1,297,799.37	
	1875....	284,020,771.41	274,623,392.84	9,397,378.57	-----	
	1876....	290,066,584.70	265,101,084.59	24,965,500.11	-----	
	1877....	281,000,642.00	241,334,474.86	39,666,167.14	-----	
	1878....	257,446,776.40	236,964,326.80	20,482,449.60	-----	
	1879....	272,322,136.83	266,947,883.53	5,374,253.30	-----	
Hayes.	1880....	333,526,500.98	264,847,637.36	68,678,863.62	-----	Protective.
	1881....	360,782,292.57	259,651,638.81	101,130,653.76	-----	
	1882....	403,525,250.28	257,981,439.57	145,543,810.71	-----	
	1883....	398,237,581.95	265,408,137.54	132,879,441.41	-----	
	1884....	348,519,869.92	244,126,244.36	104,393,625.56	-----	
	1885....	328,690,706.38	260,226,931.11	63,463,775.27	-----	
	1886....	336,439,727.06	242,483,138.50	93,956,588.56	-----	
	1887....	371,403,277.66	267,932,179.97	103,471,097.69	-----	
	1888....	379,266,074.76	259,653,958.67	119,612,116.09	-----	
	1889....	387,050,058.84	281,996,615.60	105,053,443.24	-----	
Garfield- Arthur.	1890....	403,080,982.63	297,736,486.60	105,344,496.03	-----	Low.
	1891....	392,612,447.31	355,372,684.74	37,239,762.57	-----	
	1892....	354,937,781.24	345,023,330.58	9,914,453.66	-----	
	1893....	385,819,628.78	383,477,954.49	2,341,674.29	-----	
	1894....	297,722,019.25	367,525,279.83	-----	69,803,260.58	
Cleve- land.	1895....	313,300,075.11	356,195,298.29	-----	42,895,223.18	Low.
	1896....	326,976,200.38	352,179,446.08	-----	25,203,245.70	
	1897....	247,721,705.16	365,774,159.57	-----	18,052,454.41	
McKinley- Roosevelt.	1898....	405,321,335.60	443,368,582.80	-----	38,047,247.20	Protective.
	1899....	515,960,620.18	605,072,179.85	-----	89,111,559.67	
	1900....	567,249,851.89	487,713,791.71	79,536,060.18	-----	
	1901....	587,685,337.83	509,967,353.15	77,717,984.68	-----	
	1902....	562,478,233.21	471,190,857.64	91,287,375.57	-----	
	1903....	560,396,674.10	506,099,007.04	54,297,667.06	-----	
	1904....	540,631,749.00	582,402,321.31	-----	41,770,572.00	
	1905....	544,274,685.00	567,278,913.45	-----	23,004,228.00	
	1906....	594,454,122.00	568,784,799.06	25,669,323.00	-----	
	1907....	663,140,334.00	578,903,747.75	84,236,586.00	-----	
Roose- velt.	1908....	599,895,763.00	659,552,125.00	-----	59,656,362.00	

Our Government should be as exacting from foreigners as from Americans. Make them pay duty while we pay taxes.—Hon. P. C. Cheney.

I believe in the reciprocity of Blaine and McKinley, reciprocity in non-competitive goods, but not in reciprocity in competitive goods, which is simply free trade.—Hon. Andrew J. Volstead, in Congress, Feb. 8, 1904.

Protection furnishes an opportunity for every person to find the employment best adapted to his or her genius and capacity that will secure the largest income or the greatest happiness.—Hon. J. S. Morrill, in the American Economist.

Everyone knows that the average American consumer pays more than the average British consumer. Yet the British consumer, in spite of that advantage, is by no means so well off as the American consumer.—The London Daily Telegraph.

We have prospered marvelously at home. As a nation we stand in the very forefront in the giant international competition of the day. We cannot afford by any freak or folly to forfeit the position to which we have thus triumphantly attained.—President Roosevelt at Minneapolis, April 4, 1903.

In the ten years which has elapsed since the enactment of the Dingley Tariff, the conditions have so changed as to make a number of the schedules under that tariff too high and some too low. This renders it necessary to re-examine the schedules in order that the tariff shall be placed on a purely protective basis. By that I mean it should properly protect, against foreign competition, and afford a reasonable profit to all manufacturers, farmers, and business men, but should not be so high as to furnish a temptation to the formation of monopolies to appropriate the undue profit of excessive rates.—Hon. Wm. H. Taft, at Kansas City, Mo.

One vital, dominating fact confronts the Democratic party which no oratory, which no eloquence, which no rhetoric can obscure: BRYAN'S NOMINATION MEANS TAFT'S ELECTION.—New York World.



# THE IRON AND STEEL INDUSTRY.

## Conditions in United States Compared with Other Countries.

The world produced about 58,850,000 tons of pig iron in 1906, of which over forty-three per cent. was made in the United States. The same great development is shown in the production of steel, of which the United States produced over 23,398,000 tons in 1906; Germany over 11,307,000 tons, and Great Britain 6,575,000 tons. The United States produced 5,516,000 tons more than Germany and Great Britain combined. In 1889 the United States produced 7,603,642 tons of pig iron, which at that time was the largest production ever made in this country in one year. Great Britain produced in that year 8,322,824 tons, and she had exceeded the production of the United States in each preceding year. But under the McKinley tariff the production of pig iron increased to 9,202,703 tons in 1890, in which year the product of Great Britain fell off to 7,904,214 tons. Since that time the United States has almost trebled its production, while Great Britain has made little progress. Germany, which went under a protective tariff in 1879, produced only 4,524,558 metric tons (2,204 pounds) of pig iron in 1889; but in 1906 Germany had increased the production so that her pig iron product was over 2,183,000 tons greater than that of Great Britain, and in steel she exceeded Great Britain by over 4,732,000 tons. In 1906 Germany produced of Bessemer and open-hearth steel 11,307,807 tons, while Great Britain produced only 6,462,274 tons. The United States produced 23,256,243 tons.

## The World's Greatest Pig Iron Producers.

The following table gives the production of pig iron from 1880 to 1907 by the three great pig iron making countries. For the United States and Great Britain tons of 2,240 pounds are used, and for Germany and Luxemburg metric tons of 2,204 pounds.

Years.	United States (gross tons).	Great Britain (gross tons).	Germany and Luxemburg (metric tons).
1880.....	3,835,191	7,749,233	2,729,038
1881.....	4,144,254	8,144,449	2,914,009
1882.....	4,623,323	8,536,680	3,380,896
1883.....	4,595,510	8,529,300	3,469,719
1884.....	4,097,868	7,811,727	3,600,612
1885.....	4,044,526	7,415,469	3,687,434
1886.....	5,683,329	7,009,754	3,528,657
1887.....	6,417,148	7,559,518	4,023,953
1888.....	6,489,738	7,998,969	4,337,121
1889.....	7,603,642	8,322,824	4,524,558
1890.....	9,202,703	7,904,214	4,658,450
1891.....	8,279,870	7,406,064	4,641,217
1892.....	9,157,000	6,709,255	4,937,461
1893.....	7,124,502	6,976,990	4,986,003
1894.....	6,657,388	7,427,342	5,380,039
1895.....	9,446,308	7,703,459	5,464,501
1896.....	8,623,127	8,659,681	6,372,575
1897.....	9,652,680	8,796,465	6,881,466
1898.....	11,773,934	8,609,719	7,312,766
1899.....	13,620,703	9,421,435	8,143,133
1900.....	13,789,242	8,959,691	8,520,540
1901.....	15,878,354	7,928,647	7,880,087
1902.....	17,821,307	8,679,535	8,529,810
1903.....	18,009,252	8,935,063	10,017,901
1904.....	16,497,033	8,693,650	10,058,273
1905.....	22,992,380	9,608,086	10,875,061
1906.....	25,307,191	10,109,453	12,292,819
1907.....	25,781,361	*9,923,856	12,875,159

\* British Iron Trade Association.

From 1880 to 1907 the production of pig iron in the United States under *protection* increased from 3,835,191 gross tons to 25,781,361 gross tons, a gain of 21,946,170 gross tons, and in



Germany and Luxemburg, also under *protection*, it increased in the same period from 2,729,038 metric tons to 12,875,159 metric tons, a gain of 10,146,121 metric tons. Under *free trade* in Great Britain, however, the production increased in the same period 2,174,623 gross tons only, the gain being from 7,749,233 gross tons in 1880 to 9,923,856 gross tons in 1907.

#### **Effect of Protective Tariff upon Steel Rail Industry.**

The development of the steel rail industry in the United States has been of enormous benefit to the country and has demonstrated beyond question the great value of the protective tariff. When it was proposed in 1870 to place a duty of \$28 a ton on steel rails the Hon. S. S. Marshall, a prominent member of the House of Representatives, earnestly protested against the proposed duty because, as he alleged, it would so increase the cost of foreign steel rails that our railroad companies could not afford to import them. The average price of Bessemer steel rails in this country at that time was \$106.75 a ton in currency. The duty of \$28.00 a ton was imposed in that year, and the price of steel rails fell in five years to an average of \$68.75 a ton, and they never rose above those figures, but steadily fell in most of the succeeding years. The reduction in price, owing to the development of this industry, has led to the substitution of steel for iron rails, which are no longer manufactured to any extent. The durability of steel rails is many times greater than that of iron rails, and this has enabled the railroads to increase the size and power of their engines and cars, so that the cost of transportation has been enormously reduced. The United States long ago became the largest producer of steel rails in the world, Great Britain long having fallen behind. Formerly a large percentage of the rails in use were iron. Now they are practically all steel. The tariff on steel rails in 1870 was 45 per cent. ad valorem. That has been gradually reduced until now it is \$7.34 a ton. In 1906 the production of all kinds of steel rails in the United States amounted to 3,977,872 tons.

#### **The United States Steel Corporation Not a Monopoly.**

To refute a common free trade charge we republish from the Annual Statistical Report of the American Iron and Steel Association the following table, which gives the percentages of production of all leading iron and steel products by the United States Steel Corporation and by independent companies in the year 1906, the latest year for which statistics are available. It also gives for the same year the percentages of shipments of iron ore by the Corporation and by the independent companies from the Lake Superior region and the percentages of the total production of iron ore and coke in the whole country by the Corporation and by the independent companies. The statistics of the total shipments of iron ore from the Lake Superior region and of the production of iron and steel we have obtained from the Annual Report of the American Iron and Steel Association, and the statistics of the country's total production of iron ore and coke we have obtained from the publications of the Division of Mining and Mineral Resources of the United States Geological Survey, the Corporation reporting to us its share of these shipments and production.

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If by asserting complete Federal control over the interstate railways of the country we can suppress secret rebates and discriminations of other kinds, we shall have gone a long way in the suppression of the unlawful trusts.—Hon. Wm. H. Taft, at Columbus, Ohio.

Think of it, men of Rochester; you producers and manufacturers and merchants and traders and bankers and transporters, think of it! The market of our own country, the home market, in which you can transport your goods from the door of the factory to the door of the consumer, without breaking bulk a single time, is equal to the entire international commerce of the world.—O. P. Austin, at Rochester.

Products of the United States Steel Corporation and of Independent Companies. Comparative Statement by Percentages.	1906.	
	Corporation.	Independents
Shipments of Lake Superior iron ore.....	54.2	45.8
Total production of iron ore.....	43.2	56.8
Production of coke.....	36.5	63.5
All kinds of pig iron.....	44.2	55.8
Spiegeleisen and ferro-manganese.....	68.4	31.6
Total pig iron, including spiegel, etc.....	44.5	55.5
Bessemer steel ingots and castings.....	65.7	34.3
Open-hearth steel ingots and castings.....	49.6	50.4
Total of above ingots and castings.....	58.1	41.9
Bessemer steel rails.....	52.6	47.4
Structural shapes.....	54.6	45.4
Plates and sheets, excluding nail plate.....	56.3	43.7
Wire rods.....	71.7	28.3
Bars, open-hearth and iron rails, etc.....	33.8	66.2
Total of all finished rolled products.....	48.1	51.9
Wire nails.....	65.5	34.5
Tin plates and terne plates.....	73.4	26.6

This table completely disproves the statement so often made that the United States Steel Corporation is a monopoly which controls the iron and steel industries of the country, and that it stifles all competition in these lines of industrial development. Indeed there is one branch of the steel industry in which it is not engaged at all—the manufacture of crucible steel.

In the years that have gone by we have made the deed square with the word.—President Roosevelt's speech accepting 1904 nomination.

We have kept of the same mind for a sufficient length of time to give our policy coherence and sanity.—From President Roosevelt's speech of acceptance.

It appears that in all commercial countries export prices are at times from various causes lower than domestic prices. Hon. E. L. Hamilton, in Congress, April 14, 1904.

The highest claim of William McKinley for the gratitude of his countrymen is that, in spite of the abuse and contumely that was heaped upon his head for this policy, he placed our country in the forefront of nations as a civilizer and uplifter of unfortunate peoples.—Hon. Wm. H. Taft, at Cleveland, Ohio.

The United States is a continental nation and should adopt a continental policy. Free trade is adapted only to insular nations, and no continental nation has adopted a free-trade policy.—Ex-President Hill, of the University of Rochester, now Ambassador to Germany.

I believe our strong party with its great principles is only in its infancy. Our glory as a nation has but just begun. There are mighty problems yet to be solved, grave questions to be answered, complex issues to be wrought out, but I believe we can trust the Grand Old Party and its leaders to care for the future of our Nation and of our people as it has cared for them so well in the past.—Hon. James S. Sherman.

The Republican principle of the protective tariff is, as I understand it, that through the customs revenue law a tariff should be collected on all imported products that compete with American products, which will at least equal a difference in the cost of production in this country and abroad, and that proper allowance should be made in this difference for the reasonable profits to the American manufacturer.—Hon. Wm. H. Taft, at Columbus, Ohio.

One vital, dominating fact confronts the Democratic party which no oratory, which no eloquence, which no rhetoric can obscure: BRYAN'S NOMINATION MEANS TAFT'S ELECTION.—New York World.

A tariff which protects American labor and industry and provides ample revenues has been written in public law.

—WILLIAM MCKINLEY.

## THE TIN-PLATE INDUSTRY.

**Established under McKinley Protection, Checked by Democratic Free Trade, it has Effectuated a Saving of \$35,000,000 to the Country and Now Gives Employment to 17,000 people, Who Earn \$10,000,000 a Year in Wages.**

By B. E. V. LUTY, Pittsburg.

The American tin-plate industry is the best illustration of the benefit of a protective tariff. It is for this reason that it is singled out by the Democrats for especially vicious attack.

The McKinley protective duty of 2.2 cents a pound went into effect on July 1, 1891. For years prior to that time there was a revenue tariff on tin plate of one cent a pound. Under it no tin plate could be made in the United States, our supply being all imported from Wales, which had a monopoly. The Welsh manufacturers had an understanding among themselves which amounted to a trust, and charged exorbitant prices. The duty, being a revenue one, was paid by the American consumer. The reduced duty of 1.2 cents in the Wilson-Gorman law went into effect on October 1, 1894, and caused a wage dispute which kept all the American tin plate works closed from that date until the latter part of January, 1895, when they were put in operation at greatly reduced wages. The American tin plate works were then enabled to operate under the existence of the Wilson-Gorman tariff law because:

### Growth of the Industry.

1. The industry had acquired great momentum under the McKinley law.

2. Economies and new processes were introduced during that period, after great expenditures of time and money.

3. There were heavy wage reductions.

4. The Wilson-Gorman duty of 1.2 cents a pound was 0.2 cent higher than the old revenue duty.

5. The general depression in the iron and steel and other industries, caused by the Wilson-Gorman law, brought the raw materials of tin plate manufacture in the United States down to lower points than had ever been seen before.

The Dingley law, effective July 24, 1897, increased the tin plate duty to 1.5 cents per pound, and two wage advances were made, in 1897 and 1899, giving the tonnage men an average increase of 17 per cent. over the wages paid under the Wilson-Gorman Tariff.

The following table gives the imports of tin plate into the United States since 1889 in long tons:

Year.	Long tons.
1889.....	331,311
1890.....	329,435
1891.....	327,882
1892.....	268,472
1893.....	253,155
1894.....	215,068
1895.....	119,545
1896.....	119,171
1897.....	83,851
1898.....	67,222
1899.....	58,915
1900.....	60,386
1901.....	77,395
1902.....	60,115
1903.....	47,360
1904.....	70,652
1905.....	65,740
1906.....	56,983
1907.....	57,773



The tin plate imports after 1897, the year in which the Dingley law was enacted, has been practically altogether for "drawback" purposes, the tin plate being made into containers for exported oil, fruit, fish, meat, etc., and being used in the manufacture of carpet sweepers and many other articles for export. On the exportation of such articles the Government refunds 99 per cent. of the duty originally paid on the amount of tin plate actually used in the manufacture of such exported articles.

The following table gives the production of tin plate in the United States in each calendar year since 1891:

Year.	Long tons.
1891.....	552
1892.....	18,803
1893.....	55,182
1894.....	74,260
1895.....	113,666
1896.....	160,362
1897.....	256,598
1898.....	326,915
1899.....	397,767
1900.....	302,665
1901.....	399,291
1902.....	366,000
1903.....	480,000
1904.....	458,000
1905.....	493,500
1906..	577,562
1907.....	*495,000

\*Estimated.

#### High and Low Prices.

The following table shows the highest and lowest prices in Wales of full weight coke tin plate since 1889. The great decline caused by the American industry will be noted. The much higher prices in 1899-1900 and in 1906-1907 were caused by the great advances in raw materials, especially steel and pig tin, which have occurred all over the world:

Year.	Lowest.		Highest.	
1889.....	12s	9d	18s	0d
1890.....	13	3	17	3
1891.....	12	6	12	6
1892.....	11	9	12	8
1893.....	10	10½	12	6
1894.....	10	3	11	0
1895.....	9	9	10	9
1896.....	8	10½	10	6
1897.....	9	9	10	3
1898.....	9	9	10	6
1899.....	11	0	15	6
1900.....	13	3	16	9
1901.....	12	3	15	3
1902.....	11	9	14	0
1903.....	11	0	12	6
1904.....	11	6	12	6
1905.....	11	4½	13	0
1906.....	12	3	15	0
1907.....	12	3	15	1½

The following table gives the average price of full weight (108-pound) coke tin plate in New York, imported plate for 1894 and preceding years and domestic plate for subsequent years:

1890.....	\$5.15
1891.....	5.30
1892.....	5.34
1894.....	4.57
1895.....	3.66
1896.....	3.63
1897.....	3.26

1898.....	\$2.99
1899.....	4.50
1900.....	4.82
1902.....	4.20
1903.....	4.00
1904.....	3.70
1905.....	3.80
1906.....	3.90
1907.....	4.20
1908 (first half).....	4.00

The following table shows the price changes in the past nine years, with the date on which each new price went into effect. These prices are f. o. b. Pittsburg, plus freight to destination, and are for 100-pound plates, full weight (108-pound) being 15 cents additional. When imported plate controlled the market, New York was the cheapest point, deliveries at inland points being higher. A comparison, at New York, of present prices with prices ruling before the establishment of the American industry, is not fair, because at the earlier time the prices delivered to the principal inland consuming points were higher than New York prices, whereas now they are lower. The freight Pittsburg to New York, is 18 cents a hundred, while from Pittsburg to a point even as far west as Chicago the rate is only 18 cents.

July 14, 1899 .....	\$4.37½
August 6, 1899 .....	4.65
September 24, 1900 .....	4.00
November 3, 1902 .....	3.60
March 3, 1903 .....	3.80
November 16, 1903 .....	3.60
January 25, 1904 .....	3.45
*July 25, 1904 .....	3.30
November 15, 1904 .....	3.45
December 22, 1904 .....	3.55
October 3, 1905 .....	3.35
October 20, 1905 .....	3.45
November 20, 1905 .....	3.40
January 8, 1906 .....	3.50
April 10, 1906 .....	3.60
May 19, 1906 .....	3.75
October 25, 1906 .....	3.90
January 6, 1908 .....	3.70

\*Discount changed to 2 per cent., previously 1 per cent., for cash in 10 days.

#### A Saving of \$35,000,000.

By making a careful estimate of what tin plate would have cost the consumer from the beginning of 1892 to the middle of 1900, had there been no American industry and no protective tariff, and closely calculating what it actually cost in these years, with the protective tariff and the American industry, it has been found that the country saved to that date fully \$35,000,000 through the McKinley tin plate schedule. Most of this saving was due to the American product selling at so much below the imported, but part was due to the lower prices, at which the foreign was sold, on account of the competition, before the country made all the tin plate it needed.

The average weekly earnings of the skilled labor in the American tin mills are from two and a half to three times as much as in Wales, while the earnings of the common labor are fully twice as much. The skilled men are on a tonnage basis, the rates per ton in the United States being more than double what they are in Wales. In addition to this, the American manufacturers invest a great deal more money, probably three times as much, in their plants, making the mills heavier and employing more convenient arrangement, whereby the men are enabled to make a much larger tonnage output per shift. When the American tin plate industry was first established, the average output per hot mill per turn was about 50 boxes,

against 36 in Wales. Improved practice and still heavier machinery was adopted in the American plants, whereby the average output has been raised to fully 75 boxes, while following after the Americans the Welsh manufacturers have made some improvements, and brought their average output up to 50 boxes, which leaves it that the American mills lead by a slightly larger percentage than they did at the start.

#### **Tin Plate is Cheap.**

Tin plate is cheap at present, being much lower than at any time prior to the passage of the McKinley law. In 1890, the year before the McKinley duty became effective, and when pig tin, which is in no respect under control of either the American or the Welsh mills, sold at less than three-fourths the present price, tin plate delivered Pittsburg averaged 38 per cent. higher than it does at present. The following table gives the cost, delivered Pittsburg, of the quantity of tin plate required to make the articles named:

	Cents.
Ordinary 2-lb. or No. 2 can .....	0.94
Ordinary 3-lb. or No. 3 can .....	1.34
Half-pint tin cup .....	0.79
Quart tin cup .....	1.34
3-qt. dinner pail .....	4.34
3-qt. dinner pail, plus 1-pt. cup .....	5.26

The tin plate required for the famous dinner pail, therefore costs only what the workman pays for an ordinary street car fare.

#### **Workmen Recognize Tariff's Responsibility for High Wages.**

In October, 1902, the Amalgamated Association of Iron, Steel, and Tin Workers gave the clearest recognition that has ever been given of the fact that the tariff is responsible for the wages they receive. The condition was that while the American tin mills had captured practically all the demand for the tin plate for domestic consumption, the Welsh manufacturers were still shipping in from a million and a quarter to a million and a half boxes (50,000 to 65,000 tons) of tin plate, which was made into cans for exports of petroleum, fruit, fish, etc., and for some minor purposes. Through the operation of the general drawback law the Government, on the export of these commodities, paid to the exporters 99 per cent. of the duty which had originally been paid on the tin plate so used. Thus the tin plate used in this "re-bate trade" was practically duty free. The Amalgamated Association therefore made, in October, 1902, an arrangement with the American Tin Plate Company whereby they would work up plates intended for the rebate trade at wages 25 per cent less than the regular scale rate. It was recognized that this percentage did not represent the full concession needed to capture this remaining trade from the Welsh makers, but the company was willing to make up the balance itself.

The plan was put into practical operation by 3 per cent. of the men's total wages being set aside in a special fund, from which withdrawals are made as cans, etc., are exported, equal to 25 per cent. of the wages originally involved. This apparently complicated system was adopted partly because it would have been inconvenient to identify each lot of tin plate as it went through the mill as being intended for export purposes, and the safer plan was adopted of the wage rebate being payable just as the actual exports were made.

By this action the men recognized that the tariff was directly responsible for the wages they were receiving, and showed that they were willing, in competing with Welsh manufacturers operating under no tariff, to make a concession in wages.

This arrangement has now been in force nearly six years, and the workmen are very well satisfied with it.

The following table gives the production of tin plates andterne plates in the United States from the beginning of the industry in 1891 to the end of 1906. From July 1, 1891, to June 30, 1897, the statistics we present were collected by Colonel



ra Ayer for the Treasury Department. On the latter date the Department abandoned the collection of these statistics. From July 1, 1897, to December 31, 1899, from January 1, 1901, to December 31, 1903, and from January 1, 1905, to December 31, 1906, the statistics have been compiled from most reliable sources. For the census years the production is given by the Census Bureau.

*Production of tin plate and terne plates, 1891-1906.*

[From annual report of the American Iron and Steel Association.]

Years—Pounds.	Tinplates.	Terne plates	Total pounds.
1891 (last 6 months)-----	368,400	1,868,343	2,236,743
1892 (calendar year)-----	13,921,296	28,197,896	42,119,192
1893 -----	64,536,209	59,070,498	123,606,707
1894 -----	102,223,407	64,120,002	166,343,409
1895 -----	165,927,907	88,683,488	254,611,395
1896 -----	270,151,785	89,058,013	359,209,798
1897 (first 6 months)-----	203,028,258	49,545,643	252,573,901
1897 (last 6 months)-----	-----	-----	322,205,619
1898 (calendar year)-----	-----	-----	732,289,600
1899 -----	-----	-----	808,360,000
1900 (census year ending May 31)---	707,718,239	141,285,783	849,004,022
1901 (calendar year)-----	-----	-----	894,411,840
1902 -----	-----	-----	806,400,000
1903 -----	-----	-----	1,075,200,000
1904 (census year ending Dec. 31)---	867,526,985	158,857,866	1,026,384,851
1905 (calendar year)-----	-----	-----	1,105,440,000
1906 -----	1,100,373,000	193,367,000	1,293,740,000

The millions we formerly sent to aliens in alien lands to pay them for making tin plate for us we now pay to our own countrymen in the United States; we have the tin plate and we have the money expended for tin plate besides.—Hon. Wm. Greene, in Congress, April 28, 1904.

Remembering those Republican promises and their fulfillment in the years since, calling to mind the unfulfilled democratic promises and the bitter years of 1893-1896, what will you gain by voting the Democratic ticket.—Representative Chas. Dick, of Ohio, in Congress, Jan. 5, 1904.

The difficulty with the Democratic party and the reason why the American people thus far have manifested their distrust of it is because it has no policy which the country can depend upon. Its whole stock in trade is that of irresponsible criticism and obstruction, but when charged with the responsibility for doing anything it utterly fails. Hon. Wm. H. Taft, at Greensboro, North Carolina.

By the policy of fostering American industries the development of our manufacturing interests have been secured; the inventive genius of our people has found a field; American labor has become the best paid, and consequently our laborers are the best housed, clothed, and fed; and the wonderful development and progress in this country in all that makes a people great, have elicited the admiration of the civilized world.—Senator Cullom, in the American Economist.

This is not and never shall be a government of a plutocracy; it is not and never shall be a government by a mob. It is, as it has been and as it will be, a government in which every honest man, every decent man, be he employer or employed, wage-worker, mechanic, banker, lawyer, farmer, be who he may, if he acts squarely and fairly, if he does his duty by his neighbor and the State, receives the full protection of the law and is given amplest chance to exercise the ability that there is within him, alone or in combination with his fellows, as he desires.—President Roosevelt at Montpelier, Mont., May 27, 1903.

In the ten years which has elapsed since the enactment of the Dingley Tariff, the conditions have so changed as to make a number of the schedules under that tariff too high and some too low. This renders it necessary to re-examine the schedules in order that the tariff shall be placed on a purely protective basis. By that I mean it should properly protect against foreign competition, and afford a reasonable profit to all manufacturers, farmers and business men, but should not be so high as to furnish a temptation to the formation of monopolies to appropriate the undue profit of excessive rates.—Hon. Wm. H. Taft, at Kansas City, Mo.

One vital, dominating fact confronts the Democratic party which no oratory, which no eloquence, which no rhetoric can obscure: BRYAN'S NOMINATION MEANS TAFT'S ELECTION.—New York World.

# THE TEXTILE INDUSTRIES OF THE UNITED STATES.

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## **How Labor and Agriculture have been Mutually Aided and Prices to the Consumer Reduced Under the Protective System.**

[By Edward Stanwood, author of "A History of the Presidency," "American Tariff Controversies of the Nineteenth Century," etc.]

If one were asked to designate the American industries which may be regarded as the most conspicuous trophies of the protective policy the answer would undoubtedly be: Textiles, iron, and glass. The most dramatic conquest the policy can boast is in one branch of the iron and steel industry, namely, that of tin plates. Nonexistent in 1890, it gave employment in 1900 to nearly 15,000 workmen, and provided practically the whole supply of tin plates for the immense canning industry of the country at prices far below those which prevailed when the market was controlled by foreigners.

Nevertheless, the most important achievement of protection is the establishment and development of the mills in which is spun and woven the material of the clothing of the people—cotton, wool, and silk.

The Father of his Country in his first annual address to Congress used the following language:

"A free people ought not only to be armed but disciplined; to which end a uniform and well-digested plan is requisite; and their safety and interest require that they should promote such manufactories as tend to render them independent of others for essential, particularly military, supplies."

Although clothing was one of the articles indispensable in time of war, the manufacture of which it was obviously the duty of Congress to promote, it was not until after the war of 1812 that a serious thought was given by Congress to the protection of the manufacture of cloth of any material. During the period of nonintercourse that preceded the last war with England it was found impossible to buy in the country \$6,000 worth of blankets to supply the Indians. During the war the only way in which clothing could be procured for the soldiers of our Army was by importation secretly from the British provinces in violation of law—a violation at which the Government was compelled by the necessity of the case to connive.

After the war the country was flooded with foreign textiles and the cotton manufacture which had been established under the protection of nonintercourse was brought almost to the verge of ruin. Then began the attempts to foster the cotton and woollen industries by means of a protective tariff, which, often interrupted, have continued to the present time.

### **The Cotton Industry.**

Cotton manufacture has enjoyed fairly adequate protection for three-quarters of a century. Even under the Walker tariff of 1846 the rate of duty was sufficient to give the home manufacturer fairly complete control of the market for the coarse and medium goods, which constitute by far the largest amount of goods consumed by the average family. Beginning with the Morrill tariff of 1861, adequate protection has at all times been given to almost all classes of cotton manufactures, and the results have been a great growth of the industry, a large employment of labor, and an increasing market for the raw product of southern plantations. Keen domestic competition and improved machinery have reduced the prices of goods enormously. Thus every interest connected with this industry, directly or indirectly, has been benefited—the manufacturer and his employees

the southern planter, and the whole population of the country, because all are consumers of the products of cotton mills. In recent years the United States has begun the conquest of foreign markets. An export trade established before the civil war reached in 1860 almost \$11,000,000. It did not touch these figures again until 1878, nor did it greatly exceed them until 1896, when the value of cotton goods exported was almost \$17,000,000. Since then the increase of the trade has been rapid. In 1906 the value of the cotton goods exported was almost \$53,000,000. Since then there has been a large decrease, due solely to the cessation of demand from the Chinese Empire, but it is believed that the tendency to decrease is but temporary.

The most remarkable feature of the cotton industry is its stupendous growth in the South. The determined opposition to the protective policy led by Calhoun involved the idea that this must be an agricultural country, and that the cotton raised should be exported. Yet to-day the State of John C. Calhoun contains more cotton spindles than any other State except Massachusetts. In 1880 there were but 610,000 spindles in all the Southern States. In 1908 there were more than ten million spindles in that part of the country, and the industry was carried on in every one of the old "slave States" except Florida.

The accompanying table shows the progress made by this industry during the last thirty-five years under a policy of uninterrupted protection, for the Wilson tariff of 1894, harmful to other manufacturers, did not materially reduce the protective duties on cotton fabrics.

	1870.	1880.	1890.	1900.	1905.
Number of establishments -----	956	756	905	973	1,077
Capital -----	\$140,706,291	\$208,280,346	\$354,020,843	\$460,842,772	\$605,100,164
Wage-earners, average number -----	135,369	174,659	218,876	297,929	310,458
Total wages -----	\$39,044,132	\$42,040,510	\$66,024,538	\$85,126,310	\$94,377,696
Cost of materials used -----	\$111,736,936	\$102,206,347	\$154,912,979	\$173,441,390	\$282,047,648
Value of products -----	\$177,489,739	\$192,090,110	\$267,981,724	\$332,806,156	\$442,451,218
Spindle number -----	7,132,415	10,653,435	14,188,103	19,008,352	\$23,155,613
Spindles, number -----	157,310	225,759	324,866	450,682	540,910
Cotton consumed, bales -----		1,570,344	2,261,600	3,639,495	3,743,089
Cotton consumed, pounds -----	398,308,257	759,343,981	1,117,945,776	1,814,002,512	1,873,074,716

### The Woolen Industry.

The voyage of the woolen industry has been through seas much more stormy than those over which the cotton manufacturers have passed. The difficulties which have beset it have arisen largely by reason of the complication of protection of wool with protection of wool manufactures. The growers of wool have rightly contended that they were as deserving of the fostering care of government as were the users of their product. The concession of their contention has resulted, naturally and inevitably, in the requirement of a duty on finished goods which seems excessive to those who are not aware of the peculiar circumstances of the case, and which has made the wool and woolen schedule of the tariff the vulnerable point always chosen by the opponents of protection as the best for an attack and the easiest to carry by assault. There have constantly been any interruptions and variations in the policy of protection, which have prevented the full and healthy development of the industry. At one time, in 1846, a blow was given to the manufacturers by a tariff law which levied no higher duty on finished goods than on raw wool. At another time, under the Wilson-Mann act of 1894, the woolgrower was struck by a provision making wool duty free.

Yet in spite of opposition and of a vacillating policy the woolen industry has grown to large proportions, taking advantage of favoring laws to increase and gain strength, enduring adverse legislation as best it might, and holding itself



ready to make a forward step again when conditions should permit. Although the inherent difficulties and the artificial difficulties resulting from the lack of a continuous and consistent policy have prevented the full development of the industry, and, in consequence, that unimpeded home competition which would bring prices down strictly to the level of the foreign article, yet the difference in price is not great. Upon many varieties of goods the price of American fabrics is as low as that of European fabrics of the same quality plus a rate of duty not higher than the average of a "revenue tariff." Protection has not placed the manufacturers of wool in a position so favorable as that of the manufacturers of cotton, but under the present tariff they are making good progress, and if the policy be continued they will be able to intrench themselves strongly in the home market, to the great advantage of American woolgrowers in a steady demand for their product at reasonable prices, and of 200,000 wage-earners in continuous and remunerative employment, as well as of the whole American people in an abundant supply of honest goods at fair prices.

The extent to which the manufacturers of woolen and worsted goods have now possessed the home market may be seen from the fact that the value of the goods manufactured in American mills in 1905 was \$381,000,000, and the foreign goods of the same classes imported were valued at only \$16,500,000.

The main facts relating to the woolen and worsted industry and to the allied manufacture of hosiery and knit goods, covering the ascertainment at the last four censuses, are presented in the following table:

	1880.	1890.	1900.	1905.
Number of establishments.....	2,689	2,489	2,335	2,292
Capital.....	\$159,091,869	\$296,494,481	\$392,040,353	\$477,525,222
Wage-earners, average number.....	161,557	213,859	242,495	283,691
Total wages.....	\$47,889,087	\$70,917,894	\$82,292,444	\$102,333,548
Cost of materials used.....	\$164,371,551	\$203,095,572	\$232,230,986	\$319,154,878
Value of products.....	\$267,252,913	\$337,768,524	\$392,473,050	\$517,492,142

#### The Silk Industry.

It is not generally realized that under the operation of a protective tariff the United States has risen to the first rank among the silk manufacturing countries of the world, bringing all of its raw material from abroad and most of it from the opposite side of the globe.

The Census Bulletin (No. 74) on Textiles (Census of Manufactures, 1905) shows that the average consumption of raw silk in the three years 1902, 1903, and 1904 was 13,500,000 pounds in the United States; and in France, which stood next on the list, only 9,500,000 pounds. In fact this country consumed almost exactly one-half as much as all European countries combined.

In 1870 exactly two-thirds, in value, of the American consumption of silk manufactures was of foreign importation. In that year the total value of silk goods imported and produced at home was \$36,418,995, of which only \$12,210,662 was domestic. In 1905 the value of such goods consumed in the United States had increased more than fourfold and amounted to \$165,110,722, of which four-fifths (\$132,288,072) was of home manufacture. The value of imported silk manufactures increased only \$10,000,000 in the intervening thirty-five years; the value of the domestic manufactures increased from \$12,200,000 to \$133,000,000.

The protective tariff created this industry in the United States at the same time that free trade killed the same industry in Great Britain. Fifty years ago the silk manufacture of England was great and prosperous. The British census of 1851 showed that there were 117,000 hands employed in the Kingdom in the silk mills. Even in 1879 it employed more than 40,000 hands. The system of free imports has rendered it almost extinct. The value of goods produced in 1900 was but \$15,000,000.

000—less than one-sixth that of this country. The destruction of this industry by invited foreign competition is one of the chief points in Mr. Chamberlain's indictment of the free-trade policy.

The beginning of a protective system for the silk manufacture was made in the tariff of 1864, but the excessive internal taxation during and subsequent to the war, the disorganization of labor, and the diversion of capital to more pressing needs prevented the introduction of the manufacture on a large scale. Indeed, although the percentage of growth of the industry between 1870 and 1880 was large, it was not until the tariff act of 1883 adjusted the rates in a satisfactory manner, making raw silk free and allowing an adequate protection on manufactured goods, that the industry began to assume large proportions. It will be seen from the following table that it gave employment in 1905 to more than 80,000 employees who earned wages of nearly \$27,000,000. The table corresponds to those already given for the other industries.

	1870.	1880.	1890.	1900.	1905.
Number of establishments	86	382	472	483	624
Capital	\$6,231,130	\$19,125,300	\$51,007,537	\$81,082,201	\$109,556,621
Wage-earners, average number	6,649	31,337	49,382	65,416	79,601
Total wages	\$1,942,286	\$9,146,705	\$17,762,441	\$20,982,194	\$26,767,943
Cost of materials used	\$7,817,559	\$22,467,701	\$51,004,425	\$62,406,665	\$75,861,188
Value of products	\$12,210,662	\$41,033,045	\$87,298,454	\$107,256,258	\$133,288,072
Raw silk used, pounds	684,488	2,690,482	6,376,881	9,760,770	11,572,783

The protective system is establishing the flax, hemp, and jute industries. As compared with cotton, wool, and silk they are till of secondary importance, but are destined, if the policy be continued, to a large growth.

#### What It Means to Labor.

In the aggregate these several branches of the textile industry employed in 1905 no less than 739,239 hands, who earned in wages the sum of \$249,357,277, and the 4,563 establishments reported produced goods of the value of \$1,215,036,792. The number of hands employed exceeded by more than 175,000 the total population in 1900 of St. Louis, of Boston, or of Baltimore. But it is always to be borne in mind, first, that on the average each wage-earner provides bread and meat, clothing, and lodging for not less than two persons besides himself; and, secondly, that their wages reach an ever-widening circle of persons engaged in their occupations—grocers, dry goods merchants, carpenters, and the like in the first instance, railroads and their employees, farmers and planters, and an infinite number of others all the way between the first and the last.

#### What It Means to the Farmer.

It is a most serious mistake to suppose that the effect of prosperity or depression in the manufacturing, particularly in the textile, industry is limited to those employed in the mills and to their employers, or even to the communities and States in which the mills are located. The manufacturing communities of this country are wholly dependent upon the agricultural regions for their food. New England, for example, does not raise enough of any single article of food to supply its own people. Of the two staples, breadstuffs and meat, it does not raise the one-hundredth part of its need. It is therefore vitally important to the farmers of the West that the mill hands shall be steadily employed and that their wages shall be sufficient to enable them to purchase freely. Reduce the tariff, introduce foreign goods instead of domestic, diminish the demand for the products of our own mills, cut wages, close the mills or put them on short time, and you deal a blow directly at the great agricultural regions of the country. You restrict the consuming power of a community—including the wives and children of the natives—almost equal in number to the population of Chicago,

and you gain nothing in the form of a foreign outlet for your grain and your meat.

The history of the textile manufacture in brief is this: A great industry has been built up by means of a protective tariff; two-thirds of a million of hands have employment in the factories; the country has become almost independent of a foreign supply of textile goods; the growth of the industry has been accompanied by a steady and in the aggregate a great decline in prices, so that to-day the clothing of the people is not only cheap, but nearly or quite as cheap, quality considered, as that of any other nation; and in no branch of the industry is there a monopoly "trust" or the suspicion of a monopoly. No great fortunes have been built up in the textile manufacture. The conquest of the home market will be followed, if the wise policy be continued, by an entrance into foreign markets, and by the leadership of the United States in all departments of this industry.

*The textile industries of the United States at decennial periods, 1850 to 1900.*

[Compiled from Census Reports.]

	Year.	Number of establishments.	Capital.	Number of wage earners.	Wages.	Cost of material.	Value of products.
Wool manufacture (a)	1850	1,760	\$32,516,366	47,763	-----	\$29,216,696	\$49,636,881
	1860	1,673	42,849,932	59,522	\$13,361,602	46,649,365	80,731,643
	1870	3,456	132,382,319	119,859	40,357,235	134,151,615	217,668,826
	1880	2,689	159,091,869	161,557	47,389,087	164,371,551	267,252,913
	1890	2,489	296,491,481	213,859	70,917,894	203,095,572	337,768,524
	1900	2,335	392,040,353	242,495	82,292,444	232,230,986	392,473,054
	1905	2,292	477,525,222	283,691	102,333,548	319,154,878	517,492,142
Cotton manufacture (b)	1850	1,094	74,500,931	92,286	-----	34,835,056	61,869,188
	1860	1,091	98,585,269	122,028	23,940,108	57,287,531	115,681,711
	1870	956	140,706,291	135,367	39,044,132	111,736,936	177,489,734
	1880	756	208,280,346	174,657	42,040,510	102,206,347	192,090,111
	1890	905	354,020,842	218,876	66,024,538	154,912,979	267,981,721
	1900	1,055	467,240,157	302,861	86,689,752	176,551,527	339,200,312
	1905	1,154	613,110,655	315,874	96,205,796	286,255,303	450,467,701
Silk manufacture	1850	67	678,300	1,743	-----	1,093,860	1,809,471
	1860	139	2,926,980	5,435	1,050,224	3,901,777	6,607,771
	1870	86	6,231,130	6,649	1,942,289	7,817,559	12,210,661
	1880	382	19,125,300	31,337	9,146,705	22,467,701	41,033,661
	1890	472	51,007,537	49,382	17,762,141	51,034,425	87,298,411
	1900	483	81,082,201	65,416	20,982,194	62,406,665	107,256,211
	1905	624	109,556,621	79,601	26,767,943	75,861,188	133,288,011
Dyeing and finishing textiles	1850	104	4,818,350	5,105	-----	11,540,347	15,454,411
	1860	124	5,718,671	7,097	2,001,528	5,005,435	11,716,411
	1870	292	18,374,503	13,066	5,221,538	99,539,992	113,017,511
	1880	191	26,223,981	16,698	6,474,364	13,664,295	32,297,411
	1890	248	38,450,800	19,601	8,911,720	12,385,220	28,900,411
	1900	298	60,643,104	29,776	12,726,316	17,958,137	44,933,411
	1905	360	88,708,576	35,563	15,469,205	19,621,253	50,849,411
Flax, hemp and jute	1890	162	27,731,649	15,519	4,872,389	26,148,344	37,313,011
	1900	141	41,991,762	20,903	6,331,741	32,197,885	47,601,011
	1905	133	54,423,531	24,508	8,580,785	44,890,546	62,939,011
Combined textiles	1850	3,025	112,513,947	146,877	-----	76,715,959	128,769,011
	1860	3,027	150,080,852	194,082	40,353,462	112,842,111	214,740,011
	1870	4,790	297,694,243	271,913	86,565,191	353,249,102	529,386,011
	1880	4,018	412,721,496	384,251	105,059,666	302,709,894	532,673,011
	1890	4,276	767,705,310	517,237	168,488,982	447,516,510	759,262,011
	1900	4,312	1,042,997,577	661,451	239,022,447	521,345,200	931,491,011
	1905	4,563	1,343,324,605	739,239	249,357,277	745,783,168	1,215,036,011

(a) Includes hosiery and knit goods. (b) Includes cotton small wares.

### Cotton Production and Manufacturing in the United States also Imports and Exports of Cotton Manufacture.

The statement showing the quantity of cotton consumed indicates unusual activity among the cotton manufacturing terests of the United States during recent years, the num



of bales taken for home consumption being in 1905, 1906, and 1907 much larger than in any corresponding period in the history of our manufacturing industries, while the raw cotton imported was also larger than in any corresponding period of any earlier year. The export of cotton manufactures in 1905 and 1906 were more than double those of any two-year period in the history of our export trade. The fall of 22 million dollars in value of cotton exports in 1907 was due solely to a reduced demand in China, resulting from over-importations into that country in 1904 and 1905. The growth in importation of cotton manufactures shown in the final columns suggest great possibilities in our own markets still awaiting our own cotton manufacturers, especially in high grade manufactures, which form the bulk of the large imports of recent years.

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Our appeal is not to a false philosophy or vain theories, but to the masses of the American people, the plain, practical people whom Lincoln loved and trusted and whom the Republican party has always faithfully striven to serve.—Maj. McKinley to Notification Committee, 1896.

At all hazards, and no matter what else is sought for or accomplished by changes of the tariff, the American workman must be protected in his standard of wages—that is, in his standard of living—and must be secured the fullest opportunity of employment.—President Roosevelt at Logansport, Ind., September, 1902.

Laying aside the fact that trusts are organized under English free trade, as well as German, Austrian, and American protection, it is susceptible of absolute demonstration that American free trade would operate in the interests of trusts and against the interest of American labor.—Hon. E. L. Hamilton, in Congress, April 14, 1904.

The administration of exact justice by courts without fear or favor, unmoved by the influence of the wealthy or by the threats of the demagogue, is the highest ideal that a government of the people can strive for, and any means by which a suitor, however unpopular or poor, is deprived of enjoying this is to be condemned.—Hon. Wm. H. Taft, at Columbus, Ohio.

The man who tills his own farm, whether on the prairie or in the woodland, the man who grows what we eat and the raw material which is worked up into what we wear, still exists more nearly under the conditions which obtained when the "embattled farmers" of '76 made this country a nation than is true of any others of our people.—President Roosevelt, at Sioux Falls, S. Dak., April 6, 1903.

As well might a father of a family, just started in a prosperous business with a small capital, distribute his little property equally among the poor of his neighborhood, depriving himself of the means of providing for and educating his children, as for this nation to share with the Old World every increment of power and superiority to be found in the new, assuming its burdens of mendicancy and debt, and receiving the peasant as the peer of the American citizen.—Ex-president Hill, of the University of Rochester, present Ambassador to Germany, in the American Economist.

We were passing into a regime of an irresponsible plutocracy. During the last four years there has been a great moral awakening to this danger among the people and a popular demand that the lawbreakers—no matter how wealthy or how high or powerful their position—shall be made to suffer. Under the leadership of Theodore Roosevelt the Republican party has not faltered in its determination to meet the requirements of this situation and to enact such legislation as may be necessary to bring to a close his period of illegitimate corporate immunity.—Hon. Wm. L. Taft, at Kansas City, Mo.

There is no worse enemy of the wage-worker than the man who condones mob violence in any shape, or who preaches class hatred; and surely the slightest acquaintance with our industrial history should teach even the most shortsighted that the times of most suffering for our people as a whole, the times when business is stagnant, and capital suffers from shrinkage and gets no return from its investments, are exactly the times of hardship and want and grim disaster among the poor.—President Roosevelt at Syracuse, N. Y., September 7, 1903.

One vital, dominating fact confronts the Democratic party which no oratory, which no eloquence, which no hectoric can obscure: BRYAN'S NOMINATION MEANS TAFT'S ELECTION.—New York World.

## COMMERCE OF THE UNITED STATES BY GREAT GROUPS, 1820 TO 1908.

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The tables showing the commerce of the United States by great groups from 1820 to 1908, which occupy the pages immediately following, are interesting and valuable especially in their relation to the agricultural and manufacturing industries of the country. Both imports and exports are grouped in a manner to show foodstuffs, and to indicate whether they are imported or exported in the natural state or in a form in which labor has brought them into condition for use, and thus added to their value. The imports and exports of crude materials for use in manufacturing are also separately shown; also the imports and exports of manufactures, both those ready for consumption and those intended for further use in manufacturing. In each case the percentage which a given class forms of the total imports or exports is stated. A study of these tables gives a clear and interesting picture of the growth of our agricultural and manufacturing industries, and especially as to the importation of materials for use in manufacturing and the exportation of manufactures and the growing share which these classes form of the total imports and exports, respectively, of the country. It will be noted that, notwithstanding the Democratic assertion that a protective tariff would destroy our markets abroad, the total value of merchandise exported grew from 1 billion dollars in 1897, the year of the enactment of the Dingley protective tariff, to 1,854 millions in 1907. In manufactures, of which it was asserted that a protective tariff at home would especially injure our markets abroad, the growth has been strongly marked since 1897; exports of manufactures ready for consumption having grown from 213 million dollars in 1897 to 481 million in 1907, while manufactures for further use in manufacturing grew from 98 million dollars in 1897 to 259 millions in 1907, and 1908 will show even larger totals. It will be noted also that the share which finished manufactures form of the total exports grew from 20.63 per cent in 1897 to 25.93 per cent in 1907, and that of manufactures for further use in manufacturing, from 9.52 per cent in 1897 to 13.99 per cent in 1907. While it is not practicable at this time to give complete figures for the fiscal year 1908, an estimate based upon the available figures up to the latest possible date indicates a continuation in 1908 of the growth in the exports of manufactures. In the tables of importations the column showing the value of crude materials imported for use in manufacturing is especially interesting in its evidence of the activity of our manufacturers in recent years, showing as it does that the value of crude materials imported grew from 196 million dollars in 1897 to 477 millions in 1907, and that the share which this class of materials formed of the importations grew from 25.66 per cent in 1897 to 33.25 per cent in 1907.

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**In twenty years the workshop of the world has become the dumping ground of the world.—London Daily Telegraph December 10, 1903.**

**You cannot afford to have the question raised every four years whether the nation will pay or repudiate its debts in whole or in part.—Hon. Wm. McKinley to delegation of farmers at Canton, September 22, 1896.**

**It is foolish to pride ourselves upon our progress and prosperity, upon our commanding position in the international industrial world, and at the same time have nothing but denunciation for the men to whose commanding position we in part owe this very progress and prosperity, this commanding position.—President Roosevelt at Cincinnati, Ohio September 20, 1902.**



Commerce of the United States by great groups, 1890 to 1900—Exports, continued.

Year ending June 30—

	Foodstuffs in crude condition and food animals.		Foodstuffs partly or wholly prepared.		Crude materials for use in manufacturing.		Manufactures for further use in manufacturing.		Manufactures ready for consumption.		Miscellaneous.		Total.
	Dollars.	Per cent of total.	Dollars.	Per cent of total.	Dollars.	Per cent of total.	Dollars.	Per cent of total.	Dollars.	Per cent of total.	Dollars.	Per cent of total.	
1890	2,474,822	4.79	10,085,366	19.51	31,246,382	60.46	4,867,379	9.42	2,925,165	5.66	84,526	0.16	51,683,640
1891	2,724,181	4.65	9,556,092	16.32	36,482,266	62.34	4,117,606	7.01	5,461,589	9.34	182,244	.31	58,524,878
1892	4,564,582	4.09	15,936,108	14.27	75,488,221	67.61	4,841,101	4.34	10,584,079	9.47	246,320	.22	111,660,561
1893	7,535,764	5.59	20,017,162	14.48	83,984,707	62.26	6,060,900	4.49	17,162,206	12.72	139,494	.10	134,900,233
1894	12,166,447	8.85	38,624,949	12.21	216,009,948	68.31	12,641,625	3.99	35,811,383	11.33	988,371	.31	316,242,423
1895	41,852,630	11.12	50,919,666	13.53	213,439,991	56.61	13,711,708	3.66	56,329,137	14.96	363,341	.09	376,616,473
1896	79,077,679	15.84	110,292,780	22.09	208,271,795	41.31	27,458,054	5.50	74,503,493	14.92	1,680,299	.34	499,284,100
1897	266,108,950	32.30	193,352,723	23.47	238,787,934	28.98	29,044,159	3.52	92,774,139	11.26	3,878,448	.47	823,946,353
1898	241,641,847	27.34	226,896,821	25.62	278,918,722	31.55	32,820,713	3.71	102,458,449	11.53	1,699,395	.19	883,925,947
1899	155,008,497	21.14	178,002,788	24.28	233,294,072	31.82	37,164,800	5.07	124,835,385	17.02	4,934,240	.67	733,239,732
1900	163,196,443	20.29	186,392,822	23.18	288,841,684	35.92	37,996,198	4.72	122,448,549	15.23	5,347,936	.66	804,223,632
1901	130,395,872	17.99	194,703,245	26.86	239,510,224	33.0	37,800,437	5.21	118,172,882	16.30	4,382,192	.60	724,964,852
1902	123,326,867	16.97	169,408,001	27.77	248,611,181	34.22	39,437,313	5.42	110,818,865	15.25	2,687,919	.37	726,682,946
1903	100,799,692	15.13	162,689,021	24.43	254,409,407	38.21	34,037,715	5.11	111,627,312	16.76	2,401,382	.36	665,964,529
1904	125,453,686	17.85	175,784,751	25.00	250,236,436	35.60	36,732,490	5.22	112,417,839	15.99	2,397,691	.34	703,022,923
1905	98,847,455	13.54	174,504,227	23.90	286,235,227	39.19	42,712,932	5.88	113,892,689	16.65	2,277,041	.33	683,862,104
1906	132,073,183	15.62	224,756,580	26.59	304,566,922	36.03	46,454,992	5.85	132,527,050	15.68	4,798,885	.65	730,282,609
1907	106,155,721	12.17	226,448,308	25.96	346,848,321	39.77	47,961,372	5.49	132,792,441	16.09	4,506,825	.52	845,293,828
1908	262,455,846	25.84	250,438,515	24.66	315,096,548	31.0	50,284,241	4.95	132,792,441	13.07	4,664,390	.46	872,270,283
1909	153,277,859	18.43	247,075,061	29.73	247,289,240	29.7	49,070,708	5.94	129,938,284	15.63	4,379,638	.52	1,015,732,011
1910	133,196,928	15.30	249,846,132	28.77	276,068,989	31.7	67,145,189	7.72	135,659,274	15.61	7,288,415	.84	831,030,785
1911	99,051,108	12.49	219,125,531	27.62	264,194,679	33.3	61,812,896	7.78	143,244,969	18.06	5,963,407	.75	793,392,590
1912	128,550,669	14.90	219,413,574	25.41	251,817,571	29.17	76,219,728	8.85	181,789,157	21.04	5,400,788	.63	863,200,487
1913	181,420,814	17.58	235,051,930	22.79	296,834,858	28.7	98,284,243	9.82	219,959,122	20.63	7,456,636	.72	1,032,007,603
1914	305,108,915	25.21	284,879,827	23.54	286,311,334	23.66	101,990,553	8.43	222,537,358	18.38	9,463,916	.78	1,210,291,913
1915	232,303,066	19.35	304,754,736	25.31	277,723,374	23.07	117,730,260	9.78	262,656,583	21.81	8,163,203	.68	1,203,931,222
1916	227,347,193	16.59	318,126,502	23.28	325,589,000	23.75	152,890,591	11.15	331,955,684	24.15	13,854,601	1.08	1,370,763,571
1917	246,394,140	16.88	336,605,378	23.05	397,767,463	27.21	148,013,625	10.12	317,764,367	21.76	13,917,833	.95	1,460,462,806
1918	184,786,389	13.63	323,831,370	24.27	373,595,243	27.56	131,918,311	9.73	321,946,540	23.75	7,400,911	.51	1,355,481,861
1919	185,308,064	13.31	323,244,251	24.22	408,679,699	29.35	140,415,620	10.09	327,482,757	23.52	14,001,911	.51	1,392,231,302
1920	135,747,224	9.46	308,835,694	21.52	461,716,328	32.17	174,574,136	12.17	348,745,843	24.30	5,559,792	.38	1,435,179,017
1921	118,185,098	7.92	283,064,680	18.98	472,665,309	31.69	209,361,544	14.03	402,064,030	26.76	6,403,980	.43	1,491,744,641
1922	177,216,467	10.32	347,385,462	20.22	500,506,706	29.13	226,210,513	13.17	459,812,656	26.95	6,791,584	.40	1,717,973,382
1923	167,348,227	9.03	345,706,609	18.65	593,145,135	32.03	259,414,784	13.99	480,708,667	25.93	7,394,612	.40	1,853,718,034
1924	189,032,665		331,968,332		556,645,693		262,220,655		488,458,726		6,460,236		1,833,786,357



## Commerce of the United States by great groups, 1820 to 1908.—Imports, total.

Year ending June 30—	Foodstuffs in crude condition and food animals.		Foodstuffs partly or wholly manufactured.		Crude materials for use in manufacturing.		Manufactures for further use in manufacturing.		Manufactures ready for consumption.		Miscellaneous.		Total.
	Dollars.	Per cent of total.	Dollars.	Per cent of total.	Dollars.	Per cent of total.	Dollars.	Per cent of total.	Dollars.	Per cent of total.	Dollars.	Per cent of total.	
1820a	6,081,641	11.15	10,820,814	19.85	1,983,706	3.64	4,079,064	7.48	30,998,900	56.86	556,709	1.02	54,520,884
1830	7,382,274	11.77	9,653,971	15.39	4,214,825	6.72	5,152,486	8.22	35,734,837	56.97	582,563	.93	62,720,956
1840	15,273,321	15.54	15,188,845	15.46	11,510,245	11.71	11,356,196	11.56	44,300,005	45.09	630,094	.64	98,258,706
1850	18,011,659	10.38	21,465,776	12.37	11,711,266	6.75	26,168,152	15.08	95,312,499	51.93	845,174	.49	173,509,526
1860	35,743,826	10.11	53,771,057	12.08	37,073,022	10.49	54,543,395	16.67	193,878,690	56.52	3,736,119	1.00	353,616,119
1870	35,981,838	12.38	56,252,561	22.08	53,118,022	12.18	54,545,306	12.51	173,034,847	39.69	5,024,834	1.16	435,958,408
1875	90,018,885	16.89	113,145,832	21.23	78,891,769	14.80	111,411,606	11.80	177,891,440	33.38	9,615,884	1.81	533,005,436
1880	100,297,040	15.01	118,125,216	17.69	131,831,617	19.74	110,779,516	16.59	196,587,405	29.43	10,303,952	1.54	667,954,746
1881	102,486,852	15.95	123,380,358	19.20	114,214,631	17.77	87,790,890	13.66	203,725,925	31.70	11,035,942	1.72	642,664,628
1882	101,947,672	14.49	134,438,506	19.24	131,356,113	18.13	98,623,766	13.61	238,716,691	32.94	11,556,826	1.59	724,639,574
1883	93,091,358	12.87	142,127,926	19.65	133,612,450	18.48	98,755,423	13.66	242,945,562	33.59	12,648,195	1.75	723,180,914
1884	103,010,830	15.43	130,778,286	19.59	119,150,611	17.84	94,698,249	14.18	207,771,072	31.12	12,288,615	1.84	667,697,693
1885	93,345,583	16.16	102,937,933	17.82	106,774,553	18.49	78,251,677	13.55	182,513,076	31.61	13,671,507	2.37	577,527,329
1886	91,588,644	14.41	112,771,436	17.75	128,434,759	20.22	91,539,244	14.40	194,791,568	30.65	16,310,485	2.57	635,436,136
1887	106,362,234	15.36	111,714,382	16.14	143,361,050	20.71	120,079,754	17.34	202,800,073	29.29	8,002,275	1.16	692,319,768
1888	116,087,107	16.03	111,048,075	15.34	155,057,432	21.42	121,605,094	16.80	211,218,652	29.17	8,940,754	1.24	723,957,114
1889	123,130,984	16.53	122,254,266	16.41	163,518,106	21.91	115,079,918	15.44	212,482,518	28.52	8,035,860	1.16	745,131,652
1890	128,480,142	16.28	133,332,031	16.89	170,337,250	21.62	116,924,080	14.81	230,685,581	29.23	9,251,325	1.17	789,310,409
1891	150,639,399	17.83	147,721,884	17.48	184,175,197	21.80	136,446,309	16.15	217,577,775	25.75	8,355,632	.99	844,916,196
1892	175,568,861	21.22	139,794,773	16.89	188,317,535	22.76	112,729,303	13.63	204,513,857	24.72	7,458,073	.78	827,402,462
1893	131,663,968	15.19	153,739,181	17.75	203,277,112	24.16	135,608,418	15.65	228,764,866	26.40	7,347,377	.85	866,400,922
1894	133,309,889	20.35	155,348,824	23.72	130,086,011	19.86	82,894,732	12.65	148,798,021	22.72	4,557,045	.70	891,991,622
1895	141,377,238	19.31	107,026,180	14.63	180,939,902	24.72	96,486,622	13.18	199,543,108	27.26	6,596,915	.90	731,969,965
1896	130,002,310	16.67	118,805,703	15.24	197,616,852	25.35	101,070,937	12.96	226,639,759	29.07	5,559,113	.71	779,724,674
1897	128,379,785	16.79	129,244,951	16.90	196,159,371	25.66	88,490,406	11.57	217,843,918	28.48	4,611,981	.60	704,730,412
1898	103,984,608	16.88	86,091,010	13.97	180,322,244	30.73	79,288,417	12.88	153,025,210	24.84	4,338,165	.70	616,049,654
1899	98,933,256	14.19	123,448,135	17.71	208,565,691	29.91	91,953,914	13.19	169,516,630	24.32	4,730,863	.68	697,148,489
1900	97,916,293	11.52	133,027,374	15.65	276,241,152	32.50	134,222,045	15.79	203,126,341	23.90	5,407,979	.74	819,941,184
1901	110,385,208	13.43	125,510,654	15.25	248,006,751	30.13	127,576,924	15.49	205,505,580	24.96	6,157,018	.74	823,172,165
1902	120,280,302	13.31	95,350,256	10.56	303,001,868	33.55	147,656,292	16.34	231,420,820	25.62	5,611,410	.62	903,320,948
1903	119,202,674	11.62	116,620,623	11.37	330,491,081	32.22	195,750,847	19.08	257,757,184	25.13	5,896,825	.68	1,025,719,237
1904	132,223,895	13.34	118,222,862	11.93	320,794,431	32.37	160,233,890	16.17	252,857,673	25.51	6,751,620	.68	991,087,371
1905	146,130,903	13.08	145,355,839	13.01	389,160,658	34.82	177,827,960	15.91	292,372,670	22.58	6,665,031	.71	1,117,513,071
1906	134,315,448	10.95	140,353,114	11.44	414,687,990	33.81	220,298,751	17.96	307,801,154	22.10	9,100,980	.74	1,226,582,446
1907	149,747,693	10.44	158,655,263	11.06	477,027,174	33.25	274,096,464	19.11	364,192,884	25.39	10,700,947	.75	1,431,421,425
1908	145,433,483		146,823,521		365,425,567		196,445,738		329,897,623		10,315,860		1,194,341,830

*Chief manufacturing industries, showing sums paid in wages  
and number of employees.*

[From reports of the Bureau of the Census, Department of Commerce and Labor.]

Industry.	Cen- sus year.	Num- ber of estab- lish- ments.	Capital.	Wage-earners.		Value of products, including custom work and repairing.
				Aver- age num- ber.	Total wages.	
			Dollars.		Dollars.	Dollars.
Agricultural imple- ments.	1880	1,943	62,109,668	39,580	15,359,610	68,640,486
	1890	910	145,313,997	38,827	18,107,094	81,271,651
	1900	715	157,707,951	46,582	22,450,880	101,207,428
	1905	648	196,740,700	47,394	25,002,650	112,007,344
Boots and shoes----	1880	1,959	42,994,028	111,152	43,001,438	166,050,354
	1890	2,082	95,282,311	133,690	60,667,145	220,649,358
	1900	1,599	99,819,233	141,830	58,440,883	258,969,580
	1905	1,316	122,526,093	149,924	69,059,680	320,107,458
Bread and other bak- ery products.	1880	6,396	19,155,286	22,488	9,411,328	65,824,846
	1890	10,484	45,758,489	38,841	19,120,529	128,421,535
	1900	14,836	80,901,926	60,192	27,864,024	175,368,682
	1905	18,227	122,363,327	81,284	43,179,822	269,609,061
Carriages and wag- ons.	1880	3,841	37,973,493	45,394	18,988,615	64,951,617
	1890	4,572	93,455,257	56,525	28,972,401	102,680,341
	1900	6,204	109,875,885	58,425	27,578,046	113,234,590
	1905	4,956	126,320,604	60,722	30,878,229	125,332,976
Cars, shop construc- tion and repairs by steam rail'd co's.	1890	716	76,192,477	106,632	60,213,433	129,461,698
	1900	1,293	119,580,273	173,652	96,062,329	218,238,277
Cars, shop construc- tion and repairs by street railway co's.	1905	1,141	146,943,729	236,900	142,188,336	309,863,499
	1890	78	2,351,162	2,009	1,411,205	2,966,347
Cars, steam and street rail'd, not includ'g operations of railway co's.	1900	108	10,781,939	7,025	4,404,822	9,370,811
	1905	86	12,905,853	11,052	7,012,798	13,437,121
Cheese, butter and condensed milk.	1880	130	9,272,680	14,232	5,507,753	27,997,591
	1890	88	46,109,525	33,139	17,168,099	73,885,852
	1900	85	95,939,249	37,038	18,938,170	97,815,548
	1905	87	101,154,750	38,788	23,087,400	122,019,506
	1880	3,932	9,604,803	7,903	1,546,495	25,742,510
	1890	4,552	16,016,573	12,219	4,248,854	60,635,705
	1900	9,242	36,303,164	12,799	6,145,561	130,783,349
	1905	8,926	47,255,556	15,557	8,412,937	168,182,789
Chemicals -----	1880	595	28,983,458	9,724	4,222,663	38,640,458
	1890	563	55,032,452	15,038	7,308,411	59,352,548
	1900	433	89,069,450	19,020	9,393,236	62,637,008
	1905	448	119,890,193	24,525	13,361,972	92,088,378
Clothing, men's-----	1880	6,166	79,861,696	160,813	45,940,353	209,548,430
	1890	4,867	128,253,547	144,926	51,075,837	251,019,609
	1900	5,729	120,547,851	120,927	45,496,728	276,717,357
	1905	4,501	153,177,500	137,190	57,225,506	355,796,571
Clothing, women's---	1880	562	8,207,273	25,192	6,661,005	32,004,794
	1890	1,224	21,259,528	39,149	15,428,272	68,164,019
	1900	2,701	48,431,544	83,739	32,586,101	159,339,539
	1905	3,351	73,947,823	115,705	51,180,193	247,661,560
Confectionery -----	1880	1,450	8,486,874	9,801	3,242,852	25,637,033
	1890	2,921	23,326,799	21,724	7,783,007	55,997,101
	1900	962	26,319,195	26,866	8,020,453	60,643,946
	1905	1,348	43,125,408	36,239	11,699,257	87,087,253
Cooperage -----	1880	3,898	12,178,726	25,973	8,992,603	33,714,770
	1890	2,652	17,806,554	22,555	10,056,249	38,617,956
	1900	1,694	21,777,636	22,117	8,786,428	38,439,745
	1905	1,517	29,532,614	21,149	9,485,455	49,424,394
Cordage and twine..	1880	165	7,140,475	5,435	1,558,676	12,492,171
	1890	150	23,351,883	12,385	3,976,232	33,312,559
	1900	105	29,275,470	13,114	4,113,112	37,849,651
	1905	102	37,110,521	14,614	5,338,178	48,017,139
Cotton goods-----	1880	1,005	219,504,794	185,472	45,614,419	210,950,383
	1890	905	351,020,843	218,876	66,024,538	267,981,724
	1900	1,055	467,240,157	302,861	86,689,752	339,200,320
	1905	1,154	613,110,655	315,874	96,205,796	450,467,704
Electrical machinery, apparatus and sup- plies.	1880	76	1,509,758	1,271	683,164	2,655,036
	1890	189	18,997,337	8,802	4,517,050	19,114,714
	1900	581	83,659,924	42,013	20,579,194	92,434,435
	1905	784	174,066,026	60,466	31,841,521	140,809,369
Flour and grist mill products.	1880	24,338	177,261,878	58,407	17,422,316	505,185,712
	1890	18,470	208,473,500	47,403	18,138,402	513,971,474
	1900	9,476	189,281,330	32,226	16,285,163	501,396,304
	1905	10,051	265,117,434	39,110	19,822,196	713,033,395
Foundry and ma- chine shop prod- ucts.	1880	4,984	155,021,734	145,650	66,093,920	215,442,011
	1890	6,500	383,257,473	231,331	129,282,263	413,197,113
	1900	9,316	663,414,323	350,103	182,006,007	614,456,216
	1905	9,423	936,416,978	402,914	229,869,297	799,862,588
Furnishing goods, men's.	1880	161	3,724,664	11,174	2,644,155	11,506,857
	1890	586	12,299,011	20,778	6,078,026	29,870,946
	1900	457	20,575,961	30,322	9,730,066	44,346,482
	1905	547	28,043,584	27,185	8,760,108	49,031,582
Furniture -----	1880	5,227	44,946,128	59,304	23,695,080	77,845,725
	1890	1,919	80,780,939	72,869	35,068,979	111,743,080
	1900	1,814	104,484,394	87,262	35,632,523	125,315,986
	1905	2,482	152,712,732	110,133	49,883,235	170,446,825



Chief manufacturing industries, showing sums paid in wages and number of employees—Continued.

Industry.	Cen- sus year.	Num- ber of estab- lish- ments.	Capital.	Wage-earners.		Value of products, including custom work and repairing.
				Aver- age num- ber.	Total wages.	
			Dollars.		Dollars.	Dollars.
Glass -----	1880	169	18,804,599	24,177	9,144,100	21,154,571
	1890	294	40,966,850	44,892	20,885,961	41,051,004
	1900	355	61,423,903	52,818	27,084,710	56,539,712
	1905	399	89,389,151	63,969	37,288,148	79,607,998
Hardware -----	1880	492	15,363,551	16,801	6,846,913	22,653,693
	1890	350	26,271,840	18,495	8,656,067	26,726,463
	1900	381	39,311,745	26,463	11,422,758	35,846,656
	1905	445	52,884,078	31,713	14,580,589	45,770,171
Jewelry -----	1880	739	11,431,164	12,697	6,441,688	22,201,621
	1890	783	22,246,508	13,880	8,038,327	34,761,458
	1900	851	27,871,924	20,468	10,643,887	46,128,650
	1905	1,023	39,678,956	22,080	12,592,846	53,225,681
Leather, tanned, cur- ried, and finished.	1880	5,628	73,383,911	40,282	16,503,828	200,264,944
	1890	1,787	98,088,698	42,392	21,249,989	172,136,032
	1900	1,306	173,977,421	52,109	22,591,091	204,038,127
	1905	1,049	242,584,254	57,239	27,049,152	252,620,986
Liquors, malt-----	1880	2,191	91,208,224	26,220	12,198,053	101,058,385
	1890	1,248	232,471,290	30,257	20,713,383	182,731,622
	1900	1,507	413,767,233	39,459	25,776,468	236,914,914
	1905	1,531	515,636,792	48,139	34,542,897	298,358,732
Lumber and timber products.	1880	25,758	181,465,392	148,290	31,803,098	233,608,683
	1890	22,617	557,881,054	311,964	87,934,284	437,957,382
	1900	23,053	400,857,337	413,335	148,007,845	555,197,271
	1905	19,127	517,224,128	404,626	183,021,519	580,022,690
Lumber, planing-mill products, including sash, doors, and blinds.	1880	2,491	38,070,593	37,187	14,431,654	73,424,681
	1890	3,670	120,271,440	79,923	42,221,856	183,681,532
	1900	4,198	118,948,556	73,510	32,621,704	167,786,122
	1905	5,009	177,145,734	97,674	50,713,607	247,441,956
Marble and stone work.	1880	2,846	16,498,221	21,471	10,238,885	31,415,150
	1890	1,321	24,041,961	21,950	15,314,598	41,924,264
	1900	1,655	39,559,146	30,641	16,328,174	42,230,457
	1905	1,642	66,526,724	40,905	25,032,725	63,059,842
Paper and wood pulp	1880	742	48,139,652	25,631	8,970,133	57,366,860
	1890	649	89,829,548	31,050	13,204,828	78,937,184
	1900	763	167,507,713	49,646	20,746,426	127,326,162
	1905	761	277,444,471	65,964	32,019,212	188,715,189
Petroleum, refining--	1890	94	77,416,296	11,403	5,872,467	85,001,198
	1900	67	95,327,892	12,199	6,717,087	123,929,384
	1905	98	136,280,541	16,770	9,989,367	175,005,320
Silk and silk goods--	1880	382	19,125,300	31,337	9,146,705	41,033,045
	1890	472	51,007,537	49,382	17,762,441	87,298,454
	1900	483	81,082,201	65,416	20,982,194	107,256,258
	1905	624	109,556,621	79,601	26,767,943	133,288,072
Slaughtering and meat packing, wholesale.	1880	872	49,419,213	27,297	10,508,530	303,562,413
	1890	611	98,190,766	37,502	20,304,029	433,252,315
	1900	557	173,866,377	64,681	31,033,850	697,056,065
	1905	559	219,818,627	69,593	37,030,399	801,757,137
Slaughtering, whole- sale, not including meat packing.	1890	507	18,696,738	6,473	4,000,947	128,359,353
	1900	325	14,933,804	3,705	2,358,403	86,723,126
	1905	370	17,896,063	4,541	3,236,573	112,157,487
Smelting and refin- ing, copper.	1900	47	53,063,395	11,324	8,529,021	165,131,670
	1905	40	76,824,640	12,752	10,827,043	240,780,216
Smelting and refin- ing, lead.	1900	39	72,148,933	8,319	5,088,684	175,466,304
	1905	32	63,822,810	7,573	5,374,691	185,826,839
Structural ironwork.	1880	220	1,400,197	1,934	844,614	3,410,086
	1890	724	21,968,172	17,158	10,235,701	37,745,234
	1900	697	43,442,377	24,903	13,588,779	66,927,305
	1905	775	76,598,507	34,276	19,760,210	90,944,697
Sugar and molasses, refining.	1880	49	27,432,500	5,857	2,875,032	155,484,915
	1890	393	24,013,008	7,043	2,385,654	123,118,259
	1900	657	184,033,304	14,129	6,917,829	239,711,011
	1905	344	165,468,320	13,549	7,575,650	277,285,449
Tin ware, copper- smithing, and sheet iron working.	1880	7,693	23,167,392	27,116	11,243,276	50,183,811
	1890	7,002	38,434,900	31,377	15,610,265	66,653,746
	1900	1,846	35,724,739	28,315	13,193,307	63,812,787
	1905	2,366	124,500,133	39,475	20,608,179	97,974,838
Tobacco, chewing and smoking, and snuff.	1880	477	17,207,401	32,756	6,419,024	52,793,056
	1890	395	30,841,316	29,790	6,947,158	65,843,587
	1900	437	43,856,570	29,161	7,109,821	103,754,362
	1905	433	178,847,556	23,990	6,775,325	116,767,630
Tobacco, cigars, and cigarettes.	1880	7,145	21,698,549	53,297	18,464,562	63,979,575
	1890	10,956	59,517,827	87,000	36,475,060	129,693,275
	1900	14,522	67,660,748	103,365	40,865,510	159,958,811
	1905	16,395	145,135,945	135,418	55,864,978	214,350,051
Woolen goods-----	1880	1,990	96,095,564	86,504	25,836,392	160,606,721
	1890	1,311	130,989,940	76,915	26,139,194	133,577,977
	1900	1,035	124,386,262	68,893	24,757,006	118,430,158
	1905	792	140,302,488	72,747	28,827,556	142,196,658
Worsted goods-----	1880	76	20,374,043	18,803	5,683,027	33,549,942
	1890	143	68,085,116	42,978	14,944,966	79,194,652
	1900	186	132,168,110	57,008	20,092,738	120,314,344
	1905	226	162,464,929	69,251	26,269,787	165,745,052



*Cotton production and manufacturing in the United States, also imports and exports of cotton manufactures.*

[From the Statistical Abstract of the United States.]

	Total com- mer- cial crop.	Taken for home con- sumption.			Raw cotton imported.	Exports of manu- factures of cotton.	Imports of manu- factures of cotton.
		By North- ern mills.	By South- ern mills.	Total.			
In thousands of bales.							
					Pounds.	Dollars.	Dollars.
1884 -----	5,713	1,537	340	1,877	7,019,492	11,885,211	29,074,626
1885 -----	5,706	1,437	316	1,753	5,115,680	11,836,591	27,197,241
1886 -----	6,575	1,781	381	2,162	5,072,334	13,959,934	29,709,266
1887 -----	6,499	1,687	401	2,088	3,924,531	14,929,342	28,940,353
1888 -----	7,047	1,805	456	2,261	5,497,592	13,013,189	28,917,799
1889 -----	6,939	1,790	480	2,270	7,973,039	10,212,644	26,805,942
1890 -----	7,297	1,780	545	2,325	8,606,049	9,999,277	29,918,055
1891 -----	8,674	2,027	613	2,640	20,908,817	13,604,857	29,712,624
1892 -----	9,018	2,172	684	2,856	28,663,769	13,226,277	28,323,841
1893 -----	6,664	1,652	723	2,375	43,367,952	11,809,355	33,560,293
1894 -----	7,532	1,580	711	2,291	27,705,949	14,340,886	22,346,547
1895 -----	9,837	2,019	852	2,871	49,332,022	13,789,810	33,196,625
1896 -----	7,147	1,605	900	2,505	55,350,520	16,837,396	32,437,504
1897 -----	8,706	1,793	999	2,792	51,898,926	21,037,678	34,429,363
1898 -----	11,216	2,211	1,254	3,465	52,660,363	17,024,092	27,267,300
1899 -----	11,256	2,217	1,415	3,632	50,158,158	23,566,914	32,051,434
1900 -----	9,422	2,047	1,597	3,644	67,398,521	24,003,087	41,296,239
1901 -----	10,339	1,964	1,583	3,547	46,631,283	20,272,418	40,246,935
1902 -----	10,768	2,066	2,017	4,083	98,715,680	32,108,362	44,460,126
1903 -----	10,674	1,966	1,958	3,924	74,874,426	32,216,304	52,462,755
1904 -----	10,002	2,046	1,889	3,935	48,840,590	22,403,713	49,524,246
1905 -----	13,654	2,292	2,270	4,562	60,508,548	49,666,080	48,919,936
1906 -----	11,234	2,335	2,292	4,627	70,963,633	52,944,033	63,043,322
1907 -----	13,540	2,510	2,495	5,005	104,791,784	32,305,412	73,704,636

Every dollar sent abroad to purchase goods that we can produce at home makes us a dollar the poorer.—H. K. Thurber, in the American Economist.

The safety and interest of the people require that they should promote such manufactures as tend to render them independent of others.—Washington.

Above all things we should avoid the demagogue as a pestilence and take counsel only of reason and right.—Hon. C. W. Fairbanks, at St. Paul, Minn., August 31, 1903.

Mr. Bryan asks me what I would do with the trusts. I answer that I would restrain unlawful trusts with all the efficiency of injunctive process and would punish with all the severity of criminal prosecution every attempt on the part of aggregated capital to suppress competition.—Hon. Wm. H. Taft, at Columbus, Ohio.

Duty determines destiny. Destiny which results from duty performed may bring anxiety and perils, but never failure and dishonor. Pursuing duty may not always lead by smooth paths. Another course may look easier and more attractive, but pursuing duty for duty's sake is always sure and safe and honorable.—President McKinley at Chicago, Oct. 19, 1898.

We should no sooner debase our currency than we should weaken our coast defenses. We should no more think of introducing unsound currency into our money system than we should think of weakening the steel armor plates upon our great battle ships which are gallantly withstanding the storm of Spanish shot.—Hon. C. W. Fairbanks, in U. S. Senate, June 3, 1898.

I have reviewed what have properly come to be known as President Roosevelt's policies. I have attempted to point out one or two instances in which I would qualify details of future policies which he has sketched, but with these minor exceptions as to method, I am glad to express my complete, thorough, and sincere sympathy with, and admiration for, the great conserving and conservative movement with which he has with wonderful success initiated and carried so far against bitter opposition, to remedy the evils of our prosperity and preserve to us the institutions we have inherited from our fathers.—Hon. Wm. H. Taft, at Columbus, Ohio.

One vital, dominating fact confronts the Democratic party which no oratory, which no eloquence, which no rhetoric can obscure: BRYAN'S NOMINATION MEANS TAFT'S ELECTION.—New York World.

*Twenty-seven years of production of iron and steel in the United States under the protective system.*  
[From official reports of Bureau of Statistics.]

Year.	Pig iron produced in United States.	Crude steel produced in United States.	Per cent. of domestic iron and steel industries (fiscal year).	Price per ton of pig iron, No. 1 foundry. a	Price of steel rails per ton.	Wire nails, price per keg of 100 lbs.	Imports of manufactures of iron and steel.	Exports of domestic manufactures of iron and steel.
1880	Tons. 3,835,191	Tons. 1,247,335	78.44	\$28.48	\$67.52	-----	\$71,266,699	\$14,716,524
1881	4,144,251	1,588,314	90.23	25.17	61.08	-----	60,601,477	16,604,767
1882	4,623,323	1,736,692	89.36	25.77	48.50	-----	67,976,897	20,748,206
1883	4,335,510	1,673,555	91.41	22.42	37.75	-----	58,495,246	22,826,528
1884	4,047,868	1,550,879	94.20	19.81	30.75	-----	40,147,053	21,900,881
1885	4,014,526	1,711,920	96.43	17.93	28.52	-----	33,610,093	16,592,155
1886	5,683,329	2,562,503	93.92	18.71	34.52	-----	37,534,078	15,745,569
1887	6,417,148	3,337,071	93.13	20.93	37.08	\$3.51	49,203,164	15,938,502
1888	6,489,738	2,890,410	95.17	18.88	29.83	2.55	48,992,757	17,763,034
1889	7,603,642	3,885,732	97.35	17.76	29.25	2.49	42,377,793	21,156,077
1890	9,202,703	4,277,071	98.10	18.41	31.78	2.51	41,679,591	25,542,208
1891	8,279,870	3,901,210	99.12	17.52	29.92	2.04	53,544,372	28,900,614
1892	9,157,000	4,927,581	99.01	15.75	30.00	1.70	28,928,103	28,800,930
1893b	7,124,502	4,019,995	99.39	14.52	28.12	1.49	34,937,974	30,103,182
1894b	6,657,388	4,412,032	99.64	12.66	24.00	1.11	20,925,769	29,220,264
1895b	9,446,308	6,114,834	99.79	13.10	24.33	1.69	23,048,515	32,000,989
1896b	8,623,127	5,281,689	99.07	12.95	28.00	2.51	25,338,103	41,160,877
1897	9,652,680	7,156,957	99.77	12.10	18.75	1.46	16,094,537	57,497,872
1898	11,773,934	8,932,857	99.79	11.66	17.62	1.45	12,626,431	70,405,885
1899	13,620,703	10,639,857	99.80	19.36	28.12	2.60	12,100,440	93,716,031
1900	13,789,242	10,188,329	98.55	19.98	32.29	2.76	20,478,728	121,913,518
1901	15,578,354	13,473,595	99.71	15.87	27.33	2.41	17,874,789	117,319,320
1902	17,821,307	14,947,230	99.01	22.19	28.00	2.15	27,180,247	98,532,532
1903	18,009,252	14,531,978	94.92	19.92	28.00	2.13	51,617,312	96,612,467
1904	16,487,033	13,859,887	98.95	15.57	28.00	1.96	27,028,312	111,948,596
1905	22,992,380	20,023,947	99.27	17.88	28.00	1.93	23,510,164	134,728,363
1906	25,307,191	23,398,136	98.94	20.98	28.00	1.98	29,053,987	160,984,985
1907	25,781,361	c23,360,000	97.83	23.89	28.00	2.18	40,587,865	181,530,871

a Not made in commercial quantities in the United States before 1887. b Democratic and low-tariff years. c Preliminary figures.

## Iron and steel manufacturing: Comparative summary, 1870 to 1905, with per cent of increase for each decade. (1)

[From the United States Census.]

	State of census.				Per cent of increase.			
	1870. (2)	1880. (2)	1890.	1905.	1870 to 1880	1880 to 1890.	1890 to 1900.	1900 to 1905.
Number of establishments -----	808	792	719	669	(3) 2.0	(3) 9.2	(3) 7.0	9.4
Capital -----	\$121,722,704	\$209,904,965	(4) \$114,044,844	\$590,530,481	72.4	97.3	42.6	69.7
Salaries -----	(4)	(4)	4,325	9,217			113.1	73.7
Wage-earners, average number -----	(4)	(4)	\$6,462,236	\$11,741,788			81.7	76.8
Total wages -----	77,535	(7) 140,798	171,181	222,607	81.5	21.6	30.0	9.0
Men, 16 years and over -----	\$40,514,931	\$53,451,510	\$89,273,956	\$120,836,338	36.9	61.0	35.4	17.1
Women, 16 years and over -----	75,037	133,023	168,943	219,635	77.3	27.0	30.0	9.0
Wages -----	(4)	(4)	\$88,840,612	\$120,157,037			35.3	17.0
Children, under 16 years -----	82	45	58	1,071	(3) 45.1	28.9	1,746.6	35.9
Wages -----	(4)	(4)	\$17,103	\$266,888			1,460.2	65.6
Miscellaneous expenses -----	2,436	7,730	2,189	1,901	217.3	(3) 71.8	(3) 12.8	0.1
Cost of materials used -----	(4)	(4)	\$16,208	\$112,443			(3) 0.9	9.7
Value of products -----	(5)	(5)	\$18,214,918	\$32,274,100			77.2	46.1
Tons of products (2,240 pounds each) -----	\$135,526,132	\$191,271,150	\$327,272,845	\$522,431,701	41.1	71.1	59.6	18.7
	\$207,208,696	\$296,557,685	\$478,687,519	\$804,034,918	43.1	61.4	68.0	12.7
	3,263,555	6,486,733	16,264,478	29,507,860	98.8	150.7	81.4	18.1

1 This summary includes only active establishments for 1880, 1890, and 1900; such establishments were not reported separately in 1870. The 669 establishments in 1900 and the 606 establishments in 1905 include in each case 1 penal institution, the figures for which are not included in Parts I and II of the Report on Manufactures.

2 For explanation of the apparent discrepancies in the data for 1870 and 1890, see remarks, page 2, Part I, Manufacturing Industries, 1890, in regard to the depreciated currency in 1870; and in regard to the inclusion of capital, employees, and wages relating to mining and other operations in the figures for 1880, see page 745, Statistics of Manufactures, 1880.

3 Decrease.

4 Not reported separately.

5 Not reported.



**World's Production of Pig Iron from 1800 to 1907.**

This table is given with the purpose of enabling a comparison of the growth of pig iron consumption in Great Britain under free trade with that of the protective countries, France, Germany and the United States.

*The world's production of pig iron from 1800 to 1907.*

[In gross tons of 2240 lbs.]

Year.	United States.	Great Britain.	Germany.	France.	Various.	Total.
	Tons.	Tons.	Tons.	Tons.	Tons.	Tons.
1800-----	40,000	190,000	40,000	60,000	130,000	460,000
1810-----	55,000	250,000	46,000	85,000	180,000	616,000
1850-----	564,000	2,250,000	402,000	570,000	270,000	920,000
1820-----	20,000	400,000	90,000	140,000	385,000	1,570,000
1830-----	165,000	680,000	120,000	220,000	480,000	2,677,000
1840-----	287,000	1,390,000	170,000	350,000	640,000	4,426,000
1860-----	820,000	3,830,000	530,000	900,000	1,100,000	7,180,000
1870-----	1,665,000	5,960,000	1,390,000	1,180,000	1,710,000	11,905,000
1880-----	3,835,000	7,750,000	2,730,000	1,730,000	2,090,000	18,135,000
1885-----	4,050,000	7,420,000	2,690,000	1,630,000	2,310,000	18,100,000
1889-----	7,603,000	8,250,000	4,530,000	1,720,000	3,060,000	25,163,000
1895-----	9,446,000	7,703,000	5,465,000	2,006,000	4,247,000	28,867,000
1896-----	8,623,000	8,660,000	6,271,000	2,302,000	5,001,000	30,857,000
1897-----	9,652,000	8,796,000	6,771,000	2,444,000	5,267,000	32,930,000
1898-----	11,773,000	8,610,000	7,196,000	2,485,000	5,808,000	35,872,000
1899-----	13,620,000	9,421,000	8,013,000	2,537,000	6,464,000	40,055,000
1900-----	13,789,000	8,960,000	8,384,000	2,671,000	6,686,000	40,490,000
1901-----	15,878,000	7,929,000	7,754,000	2,351,000	6,886,000	40,793,000
1902-----	17,821,000	8,630,000	8,395,000	2,367,000	6,876,000	44,139,000
1903-----	18,009,000	8,935,000	9,860,000	2,796,000	6,677,000	46,277,000
1904-----	16,497,000	8,694,000	9,899,000	2,927,000	7,322,000	45,339,000
1905-----	22,992,000	9,608,000	10,703,000	3,028,000	7,569,000	53,900,000
1906-----	25,307,000	10,109,000	12,099,000	3,267,000	7,360,000	58,142,000
1907-----	25,781,000	9,924,000	12,672,000	3,532,000	7,591,000	*59,500,000

\*Preliminary estimate.

Note.—Official figures of the respective national statistical offices of the United States, the United Kingdom, Germany and France. Figures for all other countries taken from the French and Swedish Mineral Statistics.

Every man who has made wealth or used it in developing great legitimate business enterprises has been of benefit and not harm to the country at large.—President Roosevelt at Spokane, Wash., May 26, 1903.

The exposure and punishment of public corruption is an honor to a nation, not a disgrace. The disgrace lies in toleration, not in correction.—President Roosevelt's annual message, second session Fifty-seventh Congress.

Whenever the Government revenues need an increase or readjustment I should strongly favor the imposition of a graduated inheritance tax and, if necessary for the revenues, a change in the Constitution authorizing a Federal income tax.—Hon. Wm. H. Taft, at Columbus, Ohio.

Every citizen of the United States has an interest and a right in every election within the Republic where national representatives are chosen. We insist that these laws relating to our national elections shall be enforced, not nullified.—President Garfield.

The real evils connected with the trusts can not be remedied by any change in the tariff laws. The trusts can be damaged by depriving them of the benefits of a protective tariff only on condition of damaging all their smaller competitors and all the wage-earners employed in the industry. President Roosevelt, at Cincinnati, September 20, 1902.

Mr. Bryan is continually asking why some of the managers of unlawful trusts have not been convicted and sent to the penitentiary? I sympathize with him in his wish that this may be done, because I think that the imprisonment of one or two would have a most healthy effect throughout the country; but even without such imprisonment, I believe that the prosecutions which are now on foot and the injunctions which have already been issued have had a marked effect on business methods.—Hon. Wm. H. Taft, at Columbus, Ohio.

One vital, dominating fact confronts the Democratic party which no oratory, which no eloquence, which no rhetoric can obscure: BRYAN'S NOMINATION MEANS TAFT'S ELECTION.—New York World.

## AGRICULTURE.

### **Agricultural Prosperity Under Republican Administration, Depression Under Democratic Rule.**

The farmers of the country create most of its wealth and, during the last eighteen years, sent abroad 65 per cent of our exports in addition to producing much of the material from which manufactures are made that are used at home and abroad. The Republican administration has greatly developed agricultural investigation in the last eleven years, until scientific inquiry is being made in all our States and Territories and in the isles of the sea under our flag, to the end that we may produce the necessities of life for ourselves and those for whom we are responsible. The power of the man and the acre to produce is being increased all over the land; new grains, grasses, legumes, fruits, fibers, and vegetables are being imported from foreign countries into continental United States and into our islands in order to diversify crops and bring into productiveness sections of our country that have heretofore been barren. The weather, the animals, the plants, the forests, the soils, our roads, our foods, our insect friends and enemies are being studied from the farmer's standpoint by over 2,000 scientists in the Department of Agriculture, which has grown in helpfulness every day since 1896.

The farm value of the wheat, corn, and oat crops in 1907 was nearly two and one-half times that of 1896, the last year of the Cleveland administration. This is rather a startling statement, but it is borne out by the Yearbook published by the Department of Agriculture, and made up from official figures which have no partisan bias.

For the year 1896 the farm value of corn was \$491,000,000; that of the wheat crop, \$311,000,000; and that of the oat crop \$132,000,000; the total farm value of the three crops for that year being \$934,000,000.

The farm value of the corn crop in 1900 was \$751,000,000; that of the wheat crop, \$323,500,000; and that of the oat crop, \$208,700,000, making the total farm value of the three crops in 1900 \$1,283,000,000, or \$349,000,000 more than the farm value of the same crops in 1896.

In 1907 the farm value of the corn crop was \$1,337,000,000; that of the wheat crop, \$554,400,000; and that of the oat crop, \$334,600,000; a total farm value of the three crops in 1907 of \$2,226,000,000, or \$943,000,000 more than the farm value of the same crops in 1900; and \$1,292,000,000 more than their farm value in 1896.

### **Increase in Farm Values.**

This increase in farm value under Republican administrations is not accidental. It is a matter of history that rural prosperity and Republican rule are coincident; it is equally a matter of record that agricultural depression, mortgage foreclosures, and low prices for farm products accompany Democratic administration of national affairs. The prosperity of the farmer depends upon the prosperity of all other industrial elements of our population. When the industrial classes are employed at American wages their consumption of farm products is on a liberal scale and they are able and willing to pay good prices for the necessities and luxuries of life. Under such conditions there is a good market for all the farmer has to sell. When the reverse is true and the workmen are idle or working scant time at cut wages, they are forced to practice pinching economy and the farmer necessarily loses part of his market. The American farmer is prosperous when well paid

workmen are carrying well-filled dinner pails, a condition which has accompanied Republican supremacy since the birth of the party.

The records for the last six administrations, four Republican and two Democratic, show that the farmers received more for their crops under Republican administrations than under Democratic administrations.

The farm value of the corn crops for the four years of Cleveland's first administration, from 1885 to 1888, aggregated \$2,570,000,000.

In the four years of the Harrison administration which followed, the farm value of the corn crop aggregated \$2,831,000,000, an increase in value of more than \$260,000,000 over that of this crop during the Cleveland administration.

For the next four years, while Mr. Cleveland was President and Democratic policies were in force, the farm value of the corn crop aggregated \$2,182,000,000, a decrease of \$649,000,000 from that during the Harrison administration.

Then came the Republican administration of William McKinley and for the four years of that administration the farm value of the corn crop aggregated \$2,434,000,000, or an increase of \$252,000,000 over that of the last Democratic administration; in the succeeding four years, 1901-4, it was \$3,979,000,000, or nearly double the value of the crop of the last Democratic administration; while in the first three years of the present administration it was \$3,629,000,000, or, in three years, \$1,438,000,000 more than in the four years of the second Cleveland administration.

The value of the live stock on the farms of the country, which was reported by the Agricultural Department, January 1, 1897, as \$1,655,000,000, was reported at \$4,331,000,000 in 1907, an increase of \$2,676,000,000 in eleven years.

With the increased activity, increased earnings, and increased consumption, the farmer has received greatly increased prices for his productions.

The Agricultural Department reports an increase of \$332,000,000 in the farm value of the cereals alone in 1900, as compared with 1896, and a further increase of \$1,036,000,000 in 1907, as compared with 1896, making a total increase of \$1,368,000,000, these figures representing the actual value upon the farm before leaving the hands of the producer, while other articles of farm production show an equal advance in value.

The exportation of agricultural products increased from \$574,000,000 in 1896 to \$845,000,000 in 1900, and to \$1,055,000,000 in 1907, a total increase of \$481,000,000 in the mere surplus remaining after supplying the great and rapidly expanding home market.

#### **Wheat and Oats.**

The same law of fluctuation according to political policies in administration held good as to wheat and oats. The farm value of the wheat crop for the four years of the first Cleveland administration aggregated \$1,285,000,000, and for the next four years, including the Harrison administration, the farm value of the wheat crop aggregated \$1,513,000,000, an increase of \$228,000,000 in the farm value of the wheat over that for the preceding Democratic administration.

For the next four years, under the second Cleveland administration, the farm value of the wheat crop aggregated \$988,000,000, a shrinkage of \$525,000,000 in the value of the wheat crop from the preceding four years under Republican administration.

Again came a change of policy in government and during the first four years of the McKinley administration the wheat crop took another advance in value. For these four years of the McKinley administration the farm value of the wheat crop aggregated \$1,464,000,000, an increase in value amounting to nearly \$500,000,000.

In the next four years, or during the McKinley-Roosevelt administration, the wheat crop was worth \$1,843,000,000 to the farmers, or \$855,000,000 more than during the second Cleveland administration. For the succeeding three years of the



Republican administration, 1905-7, the farm value of the wheat crop amounted to \$1,563,000,000, almost as much in three years as in the preceding four years and \$576,000,000 more than in the four years of the second Cleveland administration.

The farm value of the oat crop in the four years of the first Cleveland administration aggregated \$762,000,000; for the next four years, under the Harrison administration, the farm value of the oat crop increased to \$835,000,000; for the next four years, under Cleveland, this crop decreased in value to \$699,000,000; for the next four years, under McKinley administration, it increased to \$741,000,000, and during the four years of the McKinley-Roosevelt administration, it was \$1,145,000,000.

During the last three years of the Republican administration its aggregate value has been \$918,000,000, or \$219,000,000 more in three years than during the preceding four years of the second Cleveland administration.

The farm value of the hay crop in 1896 was \$388,000,000; in 1900 it was \$445,500,000; and in 1907 it was \$1,336,901,000.

The farm value of the potato crop in 1896 was \$72,000,000; in 1900 it was \$90,800,000; and in 1907 it was \$183,900,000.

#### Farm Animals.

During the eleven years of Republican administration, the farm animals of the country have increased in value from \$1,655,000,000 on January 1, 1897, to \$4,331,000,000 on January 1, 1908.

The number of horses has increased from 14,365,000 to 19,992,000; and their value from \$453,000,000 to \$1,868,000,000.

The number of mules has increased from 2,216,000 to 3,869,000 and their value from \$92,000,000 to \$417,000,000.

The number of milch cows has increased from 15,942,000 to 21,194,000, and their value from \$369,000,000 to \$650,000,000.

The number of cattle other than milch cows has increased from 30,508,000 to 50,073,000, and their value from \$508,000,000 to \$846,000,000.

The number of sheep has increased from 36,819,000 to 54,631,000 and their value from \$67,000,000 to \$212,000,000.

The number of swine has increased from 40,600,000 to 56,084,000, and their value from \$166,000,000 to \$330,000,000.

It will readily be perceived from the foregoing figures that the increase in total value is far more than proportional to the increase in number. The total value of sheep, for example, is more than thrice; that of mules, three and one-half times; and that of horses more than four times as great as it was when the Republicans took hold of the administration of the country eleven years ago.

The "man with the hoe" has only to look at the record to see which way points to prosperity.

#### Value of Farm Animals under Harrison, Cleveland, McKinley and Roosevelt.

After lands and improvements, the greatest item of wealth of the American farmer is his live stock, and the value of such farm stock is a perfect barometer of his financial condition. Practically the highest point ever reached up to that time was at the close of 1892, the last year of the Harrison administration, when the valuation was \$2,462,000,000, the country being prosperous, labor fully employed, and wages good. The lowest point reached in the last 23 years was at the close of 1896, when mills were closed, fires drawn, labor idle, capital in hiding, and business confidence destroyed by four years of Democratic administration. In four years the shrinkage of this form of farm wealth had amounted to 33 per cent, making \$807,000,000 the price which the owners of live stock paid for the Democratic experiment of 1892. In the years of industrial activity which followed the election of McKinley, the value of live stock has kept pace upward with the increased earning and spending capacity of American labor, and on January 1, 1900, it had advanced to \$2,288,000,000, or a rise of \$633,000,000 or 32 per cent, from the depths of depression. The figures in detail, as shown in the official reports of the Department of Agriculture, are as follows:

*Value of live stock.*

	Jan. 1, 1892, Harrison.	Jan. 1, 1897, Cleveland.	Jan. 1, 1900, McKinley.	Jan. 1, 1904, Roosevelt.	Jan. 1, 1908, Roosevelt.
Horses -----	\$1,007,593,636	\$452,649,396	\$603,969,042	\$1,136,940,298	\$1,837,530,000
Mules -----	174,882,070	92,302,000	111,717,092	217,532,832	416,939,000
Cows -----	351,378,132	369,239,993	514,812,106	508,841,489	650,057,000
Cattle -----	570,749,155	507,929,421	689,487,260	712,178,134	845,938,000
Sheep -----	116,121,290	67,020,942	122,665,913	133,530,099	211,736,000
Hogs -----	241,031,415	166,272,770	245,725,000	289,224,627	339,030,000
Total.-----	2,461,755,698	1,655,414,612	2,288,375,413	2,998,247,479	4,331,230,000

**EXCHANGE VALUE OF FARM PRODUCTS.****Prices of Raw Materials as Compared with Prices of Manufactured Articles, 1896 and 1907.**

During the last few years, when prices in general have advanced, it is interesting to determine in what degree the producer of the farm products has been benefited by the rise.

The table which follows has been prepared from official figures published in Bulletin No. 75 of the United States Bureau of Labor, and shows the per cent of advance in 1907 as compared with 1896, the last year of Democratic administration, the commodities being grouped as in the original source. The comparisons are between wholesale prices, as in the language of the original report "they are more sensitive than retail prices and more quickly reflect changes in conditions."

Comparing 1907 with 1896, farm products show an advance of 75.10 per cent; that is, for every \$100 received from the sale of farm products in 1896 the farmer received in 1907 \$175.10 for the same quantity.

Food, etc., advanced 40.57 per cent; cloths and clothing, 38.77 per cent; fuel and lighting, 29.43 per cent, etc. It is seen that the advance in farm products has been much greater than in any of the other groups of commodities, as compared with fuel and lighting and with house furnishing goods it being more than twice as great, while as compared with drugs and chemicals the advance has been more than four times as great. It will likewise be observed that the wholesale prices of food have increased much more than the retail prices.

The purchasing power of farm products in 1907 increased materially over 1896. The same quantity of farm products would purchase in 1907 24.56 per cent more food than in 1896. It would purchase 26.18 per cent more cloths and clothing, 35.28 per cent more of the articles included in the fuel and lighting group, 14.41 per cent more metals and implements, 11.33 per cent more lumber and building materials, 47.94 per cent more drugs and chemicals, 38.89 per cent more house furnishing goods, and 25.92 per cent more of the articles included in the miscellaneous group.

*This shows that no one has been benefited by the advance in prices as much as the farmer; that in 1907 the price of farm products was 75.10 per cent, or three-fourths greater than in 1896; that even when the advance in price of other articles is considered the purchasing power of farm products in 1907 was, when compared with other groups of articles, from 11.33 per cent to 47.94 per cent greater than in 1896.*

The following table shows the comparisons:

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**The leader of the Republican party during the Civil War was Abraham Lincoln. In all the varieties of controversy which it has since had to deal, it has never lost the inspiration of his leadership.—Hon. Wm. H. Taft, at Kansas City, Mo.**

**In the struggle for higher things, association of men and of women everywhere, organized for worthy purposes, can, because of the strength and power that come from organization, exert a large influence for good.—Address of Secretary Cortelyou, at the annual banquet of the Auburn Business Men's Association, Auburn, N. Y., Wednesday, April 22, 1908.**

*Comparative advance in the price of farm products and other groups of commodities, 1907, compared with 1896.*

[Compiled from Bulletin No. 75, United States Bureau of Labor.]

Groups.	Advance.	Purchasing power.
	Per cent.	Per cent.
Farm products-----	75.10	-----
Food, etc.-----	40.57	24.56
Cloths and clothing-----	38.77	26.18
Fuel and lighting-----	29.43	35.28
Metals and implements-----	53.04	14.41
Lumber and building materials-----	57.28	11.33
Drugs and chemicals-----	18.36	47.94
House furnishing goods-----	26.06	38.80
Miscellaneous articles-----	39.06	25.02
All commodities-----	43.25	22.23

It is interesting to notice in the tables which follow the comparative advance in the price of certain related commodities. The average price in 1907 has been compared with the average price in 1896. In practically every case the raw material advanced more than the finished product.

The first table shows that live cattle advanced 39.18 per cent, while fresh beef advanced but 26.74 per cent. *With the same weight of live cattle 9.82 per cent more fresh beef could be purchased in 1907 than in 1896.*

Hogs advanced 77.78 per cent and smoked hams 38.20 per cent. *With the same weight of live hogs 28.64 per cent more ham could be bought in 1907 than in 1896.*

Sheep which the farmer sells advanced 61.25 per cent; mutton which the workingman buys advanced 39.93 per cent. *With the same weight of sheep 15.24 per cent more mutton could be purchased in 1907 than in 1896.*

Corn advanced 104.72 per cent, while corn meal advanced but 69.90 per cent. *With the same quantity of corn 20.5 per cent more corn meal could be purchased in 1907 than in 1896.*

Wheat, which the farmer raises, advanced 41.45 per cent, while wheat flour for everybody's use advanced 19.08 per cent. *That is, with the same quantity of wheat 18.79 per cent more flour could be purchased in 1907 than in 1896.*

Raw cotton advanced 50.00 per cent, cotton bags 51.20 per cent, calico 27.50 per cent, cotton flannels 48.56 per cent, cotton thread 35.34 per cent, cotton yarns 43.98 per cent, denims 39.85 per cent, drillings 46.91 per cent, gingham 38.64 per cent, cotton hosiery 7.62 per cent, print cloths 84.16 per cent, sheetings 35.73 per cent, shirtings 40.35 per cent, and tickings 34.79 per cent. The average advance for cotton goods was but 41.07 per cent, against 50.00 per cent for the raw cotton.

*With the same quantity of raw cotton 6.33 per cent more manufactured cotton goods could be purchased in 1907 than in 1896.*

Wool shows an advance of 72.10 per cent, blankets (all wool) 33.26 per cent, broadcloths 46.30 per cent, carpets 36.59 per cent, flannels 44.15 per cent, horse blankets (all wool) 44.16 per cent, overcoatings (all wool) 43.94 per cent, shawls 20.09 per cent, suitings, 51.59 per cent, underwear (all wool) 24.92 per cent, women's dress goods (all wool) 76.65 per cent, and worsted yarns 75.45 per cent—an average advance for woolen goods of 44.06 per cent, while the raw material—wool—advanced 72.10 per cent. *Or with the same quantity of wool 19.46 per cent more manufactured woolen goods could be bought in 1907 than in 1896.*

The following table shows this information in tabular form:

*Comparative advance in prices of certain related commodities, 1907, compared with 1896.*

[Compiled from Bulletin No. 75, United States Bureau of Labor.]

	Per cent.
Cattle .....	39.18
Fresh beef .....	26.74



	Per cent.
Hogs .....	77.78
Hams .....	38.20
Sheep .....	61.25
Mutton .....	39.93
Corn .....	104.72
Corn meal .....	69.90
Wheat .....	41.45
Wheat flour .....	19.08
Cotton—Upland middling .....	50.00
Cotton bags .....	51.20
Calico .....	27.50
Cotton flannels .....	48.56
Cotton thread .....	35.34
Cotton yarns .....	43.98
Denims .....	39.85
Drillings .....	46.91
Hosiery (cotton) .....	7.62
Print cloths .....	84.16
Sheetings .....	35.73
Shirtings .....	40.35
Tickings .....	34.79
Average for cotton goods .....	41.07
Wool .....	72.10
Blankets (all wool) .....	33.26
Broadcloths .....	46.30
Carpets .....	36.59
Flannels .....	44.15
Horse blankets (all wool) .....	44.16
Overcoatings (all wool) .....	43.94
Shawls .....	20.09
Suitings .....	51.59
Underwear (all wool) .....	24.92
Women's dress goods (all wool) .....	76.65
Worsted yarns .....	75.45
Average for woolen goods .....	44.06

**Market Value of Farm Products in 1896 and 1907 when measured by the Wholesale Prices of Staple Articles.**

The farmer and stock raiser measures the value of his grain and stock not only by the amount of money he will receive per bushel or per pound, but also by the value of such articles as he must buy for use by his family and on the farm.

No official retail prices, other than for certain articles of food, have been published for recent years, but the United States Bureau of Labor in its bulletin of March, 1908, published wholesale prices of the staple articles in general use. From this publication the following tables have been prepared, showing the value of corn, wheat, oats, cattle, hogs, and dairy butter in 1896 and 1907, when measured by the value of other staple articles which the farmer must buy.

While these figures do not represent the actual purchasing power (as all prices are wholesale), yet the figures shown for the two years, 1896 and 1907, are in practically the same proportion as retail prices would show.

Ten bushels of corn in 1896 was equal in value to 20.9 pounds of Rio coffee, while in 1907 it was equal to 80.2 pounds, or about four times as much. In 1896 10 bushels of corn was equal in value to 56.9 pounds of granulated sugar, in 1907 equal to 113.5 pounds; in 1896 equal to 49.1 yards of calico, in 1907 to 87.7 yards; in 1896 equal to 54.7 yards of gingham, in 1907 to 80.2 yards; in 1896 to 41.5 yards of Indian Head sheeting, in 1907 to 63.2 yards; in 1896 to 37.7 yards of Lonsdale shirtings, in 1907 to 51.5 yards; in 1896 to 19 bushels of stove coal (anthracite), in 1907 to 30.7 bushels; in 1896 to 24.8 gallons of refined petroleum, in 1907 to 39.2 gallons; in 1896 to 95 pounds of 8-penny cut nails, in 1907 to

244 pounds; in 1896 to 88 pounds of 8-penny wire nails, in 1907 to 249 pounds; in 1896 to 10.7 ounces of quinine, in 1907 to 29.7 ounces. It must be borne in mind that these values are based on the average yearly prices of these articles.

The comparative values of corn, wheat, oats, cattle, hogs, and dairy butter presented in the tables which follow show wonderful increases:

*Value of 10 bushels of corn in 1896 and 1907 when measured by the wholesale prices of the following staple articles.*

[Compiled from Bulletin No. 75, United States Bureau of Labor.]

Articles.	1896.	1907.
Coffee, Rio, No. 7.....pounds..	20.9	80.2
Sugar, granulated.....pounds..	56.9	113.5
Tea, Formosa, fine.....pounds..	10.0	23.0
Shoes, men's calf bal., Goodyear welt.....pairs..	a	b
Shoes, women's solid grain.....pairs..	c	d
Calico, Cochecho prints.....yards..	49.1	87.7
Denims, Amoskeag.....yards..	26.1	38.2
Drillings, brown, Pepperell.....yards..	45.0	64.0
Ginghams, Amoskeag.....yards..	54.7	80.2
Hosiery, women's cotton hose, 26 to 28 oz.....pairs..	39.0	76.0
Overcoatings, chinchilla, cotton warp.....yards..	5.9	10.8
Sheetings, bleached, 10-4, Wamsutta S. T.....yards..	8.8	17.3
Sheetings, brown, 4-4, Indian Head.....yards..	41.5	63.2
Shirtings, bleached, 4-4, Lonsdale.....yards..	37.7	51.5
Suitings, indigo blue, all wool, 14 oz. Middlesex.....yards..	2.3	3.1
Tickings, Amoskeag, A. C. A.....yards..	25.3	38.5
Women's dress goods, cashmere, cotton warp, Atlantic F.....yards..	20.3	23.6
Coal, anthracite, stove.....bushels..	19.0	30.7
Petroleum, refined, 150° test.....gallons..	24.8	39.2
Nails, cut, 8-penny, fence and common.....pounds..	95.0	244.0
Nails, wire, 8-penny, fence and common.....pounds..	88.0	249.0
Carbonate of lead (white lead), American, in oil.....pounds..	49.9	75.8
Cement, Portland, American.....barrels..	1.3	3.2
Quinine, American.....ounces..	10.7	29.7
Glassware, tumblers, ½ pint, common.....	172.0	422.0

a 1 pair and 18 cents over.

b 1 pair and \$2.48 over.

c 3 pairs and 3 cents over.

d 5 pairs and 25 cents over.

*Value of 10 bushels of wheat in 1896 and 1907 when measured by the wholesale prices of the following staple articles.*

[Compiled from Bulletin No. 75, United States Bureau of Labor.]

Articles.	1896.	1907.
Coffee, Rio, No. 7.....pounds..	52.0	137.9
Sugar, granulated.....pounds..	141.5	195.1
Tea, Formosa, fine.....pounds..	24.8	39.4
Shoes, men's calf bal., Goodyear welt.....pairs..	a	b
Shoes, women's solid grain.....pairs..	c	d
Calico, Cochecho prints.....yards..	122.2	150.7
Denims, Amoskeag.....yards..	64.9	65.7
Drillings, brown, Pepperell.....yards..	111.9	110.0
Ginghams, Amoskeag.....yards..	135.9	137.9
Hosiery, women's cotton hose, 26 to 28 oz.....pairs..	98.0	131.0
Overcoatings, chinchilla, cotton warp.....yards..	14.7	18.5
Sheetings, bleached, 10-4, Wamsutta S. T.....yards..	21.9	29.7
Sheetings, brown, 4-4, Indian Head.....yards..	103.1	108.7
Shirtings, bleached, 4-4, Lonsdale.....yards..	93.6	88.5
Suitings, indigo blue, all wool, 14 oz., Middlesex.....yards..	5.6	5.3
Tickings, Amoskeag, A. C. A.....yards..	62.9	68.1
Women's dress goods, cashmere, cotton warp, Atlantic F.....yards..	50.5	40.6
Coal, anthracite, stove.....bushels..	47.3	52.7
Petroleum, refined, 150° test.....gallons..	61.7	67.4
Nails, cut, 8-penny, fence and common.....pounds..	236.0	420.0
Nails, wire, 8-penny, fence and common.....pounds..	219.0	429.0
Carbonate of lead (white lead), American, in oil.....pounds..	124.0	130.2
Cement, Portland, American.....pounds..	3.2	5.5
Quinine, American.....ounces..	26.7	51.1
Glassware, tumblers, ½ pint, common.....	427.0	726.0

a 2 pairs and \$1.61 over.

b 3 pairs and 67 cents over.

c 7 pairs and 56 cents over.

d 9 pairs and 1 cent over.

*Value of 10 bushels of oats in 1896 and 1907 when measured by the wholesale prices of the following staple articles.*

[Compiled from Bulletin No. 75, United States Bureau of Labor.]

Articles.	1896.	1907.
Coffee, Rio, No. 7.....pounds..	14.6	68.4
Sugar, granulated.....pounds..	39.7	96.8
Tea, Formosa, fine.....pounds..	7.0	19.6
Shoes, men's calf bal., Goodyear welt.....pairs..	a	b
Shoes, women's solid grain.....pairs..	c	d
Calico, Cochecho prints.....yards..	34.3	74.8
Denims, Amoskeag.....yards..	18.2	32.6
Drillings, brown, Pepperell.....yards..	31.4	51.6
Ginghams, Amoskeag.....yards..	38.2	68.4
Hosiery, women's cotton hose, 26 to 28 oz.....pairs..	28.0	65.0
Overcoatings, chinchilla, cotton warp.....yards..	4.1	9.2
Sheetings, bleached, 10-4, Wamsutta S. T.....yards..	6.2	14.8
Sheetings, brown, 4-4, Indian Head.....yards..	29.0	53.9
Shirtings, bleached, 4-4, Lonsdale.....yards..	26.3	43.9
Suitings, indigo blue, all wool, 14 oz., Middlesex.....yards..	1.6	2.6
Tickings, Amoskeag, A. C. A.....yards..	17.7	32.8
Women's dress goods, cashmere, cotton warp, Atlantic F.....yards..	14.2	20.2
Coal, anthracite, stove.....bushels..	13.3	26.1
Petroleum, refined, 150° test.....gallons..	17.3	33.4
Nails, cut, 8-penny, fence and common.....pounds..	66.0	208.0
Nails, wire, 8-penny, fence and common.....pounds..	62.0	212.0
Carbonate of lead (white lead), American, in oil.....pounds..	34.8	64.6
Cement, Portland, American.....barrels..	0.9	2.7
Quinine, American.....ounces..	7.5	25.4
Glassware, tumblers, ½ pint, common.....	120.0	360.0

a Lacks 60 cents of price of 1 pair.

b 1 pair and \$1.70 over.

c 2 pairs and 10 cents over.

d 4 pairs and 48 cents over.

*Value of hogs (heavy) per 100 pounds in 1896 and 1907 when measured by the wholesale prices of the following staple articles.*

[Compiled from Bulletin No. 75, United States Bureau of Labor.]

Articles.	1896.	1907.
Coffee, Rio, No. 7.....pounds..	27.2	92.4
Sugar, granulated.....pounds..	74.1	130.7
Tea, Formosa, fine.....pounds..	13.0	26.4
Shoes, men's calf bal., Goodyear welt.....pairs..	a	b
Shoes, women's solid grain.....pairs..	c	d
Calico, Cochecho prints.....yards..	64.0	101.0
Denims, Amoskeag.....yards..	34.0	44.0
Drillings, brown, Pepperell.....yards..	58.6	73.7
Ginghams, Amoskeag.....yards..	71.1	92.4
Hosiery, women's cotton hose, 26 to 28 oz.....pairs..	51.0	88.0
Overcoatings, chinchilla, cotton warp.....yards..	7.7	12.4
Sheetings, bleached, 10-4, Wamsutta S. T.....yards..	11.5	19.9
Sheetings, brown, 4-4, Indian Head.....yards..	54.0	72.8
Shirtings, bleached, 4-4, Lonsdale.....yards..	49.0	59.3
Suitings, indigo blue, all wool, 14 oz., Middlesex.....yards..	3.0	3.6
Tickings, Amoskeag, A. C. A.....yards..	33.0	44.3
Women's dress goods, cashmere, cotton warp, Atlantic F.....yards..	26.4	27.2
Coal, anthracite, stove.....bushels..	24.8	35.3
Petroleum, refined, 150° test.....gallons..	32.3	45.2
Nails, cut, 8-penny, fence and common.....pounds..	124.0	281.0
Nails, wire, 8-penny, fence and common.....pounds..	115.0	287.0
Carbonate of lead (white lead), American, in oil.....pounds..	64.9	87.2
Cement, Portland, American.....barrels..	1.7	3.7
Quinine, American.....ounces..	14.0	34.3
Glassware, tumblers, ½ pint, common.....	224.0	486.0

a 1 pair and 96 cents over.

b 2 pairs and 48 cents over.

c 3 pairs and 81 cents over.

d 6 pairs and 4 cents over.

**Whenever the interstate commerce commission deems it important as an aid in fixing rates to determine what it would cost now to rebuild any railroad, it has complete power to do so.—Hon. Wm. H. Taft, at Columbus, Ohio.**

**For an individual as for a party, a good record is a good platform to stand on. Fremont, Lincoln to McKinley and Roosevelt—what a record, and what an assurance for the future.—Hon. George B. Cortelyou, in an address to the New York State League of Republican Clubs, November 5, 1904.**



*Value of cattle (good to extra steers) per 100 pounds in 1896 and 1907 when measured by the wholesale prices of the following staple articles.*

[Compiled from Bulletin No. 75, United States Bureau of Labor.]

Articles.	1896.	1907.
Coffee, Rio, No. 7.....pounds..	36.0	93.9
Sugar, granulated.....pounds..	97.8	132.8
Tea, Formosa, fine.....pounds..	17.2	26.9
Shoes, men's calf bal., Goodyear welt.....pairs..	a	b
Shoes, women's solid grain.....pairs..	c	d
Calico, Cochecho prints.....yards..	84.8	102.6
Denims, Amoskeag.....yards..	44.9	44.7
Drillings, brown, Pepperell.....yards..	77.4	74.9
Ginghams, Amoskeag.....yards..	93.9	93.9
Hosiery, women's cotton hose, 26 to 28 oz.....pairs..	68.0	89.0
Overcoatings, chinchilla, cotton warp.....yards..	10.2	12.6
Sheetings, bleached, 10-4, Wamsutta S. T.....yards..	15.2	20.3
Sheetings, brown, 4-4, Indian Head.....yards..	71.3	74.0
Shirtings, bleached, 4-4, Lonsdale.....yards..	64.7	60.8
Suitings, indigo blue, all wool, 14 oz., Middlesex.....yards..	3.9	3.6
Tickings, Amoskeag, A. C. A.....yards..	43.5	45.0
Women's dress goods, cashmere, cotton warp, Atlantic F.....yards..	34.9	27.7
Coal, anthracite, stove.....bushels..	32.7	35.9
Petroleum, refined, 150° test.....gallons..	42.7	45.9
Nails, cut, 8-penny, fence and common.....pounds..	163.0	286.0
Nails, wire, 8-penny, fence and common.....pounds..	152.0	292.0
Carbonate of lead (white lead), American, in oil.....pounds..	85.8	88.6
Cement, Portland, American.....barrels..	2.2	3.8
Quinine, American.....ounces..	18.4	34.8
Glassware, tumblers, ½ pint, common.....pounds..	296.0	494.0

a 1 pair and \$2.03 over.

b 2 pairs and 57 cents over.

c 5 pairs and 18 cents over.

d 6 pairs and 14 cents over.

*Value of 20 pounds of butter (New York State dairy) in 1896 and 1907 when measured by the wholesale prices of the following staple articles.*

[Compiled from Bulletin No. 75, United States Bureau of Labor.]

Articles.	1896.	1907.
Coffee, Rio, No. 7.....pounds..	27.0	81.2
Sugar, granulated.....pounds..	73.5	114.9
Tea, Formosa, fine.....pounds..	12.9	23.2
Shoes, men's calf bal., Goodyear welt.....pairs..	a	b
Shoes, women's solid grain.....pairs..	c	d
Calico, Cochecho prints.....yards..	63.4	88.7
Denims, Amoskeag.....yards..	33.7	38.7
Drillings, brown, Pepperell.....yards..	58.1	64.8
Ginghams, Amoskeag.....yards..	70.6	81.2
Hosiery, women's cotton hose, 26 to 28 oz.....pairs..	51.0	77.0
Overcoatings, chinchilla, cotton warp.....yards..	7.6	10.9
Sheetings, bleached, 10-4, Wamsutta S. T.....yards..	11.4	17.5
Sheetings, brown, 4-4, Indian Head.....yards..	53.5	61.0
Shirtings, bleached, 4-4, Lonsdale.....yards..	48.6	52.1
Suitings, indigo blue, all wool, 14 oz., Middlesex.....yards..	2.9	3.1
Tickings, Amoskeag, A. C. A.....yards..	32.7	38.9
Women's dress goods, cashmere, cotton warp, Atlantic F.....yards..	26.2	23.9
Coal, anthracite, stove.....bushels..	24.6	31.0
Petroleum, refined, 150° test.....gallons..	32.1	39.7
Nails, cut, 8-penny, fence and common.....pounds..	123.0	247.0
Nails, wire, 8-penny, fence and common.....pounds..	114.0	252.0
Carbonate of lead (white lead), American, in oil.....pounds..	64.4	76.6
Cement, Portland, American.....barrels..	1.7	3.2
Quinine, American.....ounces..	13.8	30.1
Glassware, tumblers, ½ pint, common.....pounds..	222.0	427.0

a 1 pair and 93 cents over.

b 1 pair and \$2.54 over.

c 3 pairs and 78 cents over.

d 5 pairs and 31 cents over.

When the comparative value of silver is shown the decrease is remarkable. The value in 1907 is less than in 1896 when measured by 18 of the 25 articles. In 1896 the value of 10 ounces of silver was equal to 150.5 pounds of granulated sugar, in 1907 it was equal to but 141.9 pounds; in 1896 equal to 103.5 yards of gingham, in 1907 to 100.3 yards; in 1896 equal to 103.5 yards of Indian Head sheetings, in 1907 to 79.0 yards; in 1896 equal to 50.3 bushels of stove coal (anthracite), in 1907 to but 38.3 bushels. The table follows:

*Value of 10 ounces of silver (fine bar) in 1896 and 1907 when measured by the wholesale prices of the following staple articles.*

[Compiled from Bulletin No. 75, United States Bureau of Labor.]

Articles.	1896.	1907.
Coffee, Rio, No. 7.....pounds..	55.3	100.3
Sugar, granulated.....pounds..	150.5	141.9
Tea, Formosa, fine.....pounds..	26.4	28.7
Shoes, men's calf bal., Goodyear welt.....pairs.....	a	b
Shoes, women's solid grain.....pairs.....	c	d
Calico, Cochecho prints.....yards..	129.9	109.6
Denims, Amoskeag.....yards..	69.0	47.8
Drillings, brown, Pepperell.....yards..	119.0	80.0
Ginghams, Amoskeag.....yards..	144.5	100.3
Hosiery, women's cotton hose, 26 to 28 oz.....pairs.....	104.0	95.0
Overcoatings, chinchilla, cotton warp.....yards..	15.7	13.4
Sheetings, bleached, 10-4, Wamsutta S. T.....yards..	23.3	21.6
Sheetings, brown, 4-4, Indian Head.....yards..	109.6	79.0
Shirtings, bleached, 4-4, Lonsdale.....yards..	99.6	64.4
Suitings, indigo blue, all wool, 14 oz., Middlesex.....yards..	6.0	3.9
Tickings, Amoskeag, A. O. A.....yards..	66.9	48.1
Women's dress goods, cashmere, cotton warp, Atlantic F.....yards..	53.7	29.5
Coal, anthracite, stove.....bushels..	50.2	38.3
Petroleum, refined, 150° test.....gallons..	65.6	49.0
Nails, cut, 8-penny, fence and common.....pounds..	251.0	305.0
Nails, wire, 8-penny, fence and common.....pounds..	233.0	312.0
Carbonate of lead (white lead), American, in oil.....pounds..	131.9	94.7
Cement, Portland, American.....barrels..	3.4	4.0
Quinine, American.....ounces..	28.3	37.2
Glassware, tumblers, 1/3 pint, common.....pounds..	455.0	528.0

a 2 pairs and \$2.02 over.

b 2 pairs and 99 cents over.

c 8 pairs and 2 cents over.

d 6 pairs and 56 cents over.

#### **Increase in Value of Farm Lands.**

The Government census figures covering the periods of 1900 and 1905 show that medium farm lands in the United States are valued at \$22,745,420,567, compared with \$16,614,647,491 in 1900, a gain of 32 per cent in five years. The average value per acre in 1905 was \$29.28, compared with \$20.50 in 1900.

#### **American Anthracite Sold Cheaper in Canada than in the United States—yet there is no Tariff on Anthracite.**

[From the Trenton Gazette.]

They wail over the fact that the steel people, the watchmakers, sewing machine manufacturers, implement builders and so on sell their products cheaper in Europe than they do in their home markets, paying the ocean freight. This fact arises more from competition, from a desire to enlarge their field of trade, and more to the tricks of trade than to the tariff.

For proof of this, proof that can't be set aside, here is the fact that American anthracite coal was sold cheaper in Montreal, Canada, than it was to the American consumer. There is no duty either way on coal. Coal is an unprotected article.

#### **Wealth of United Kingdom and United States.**

The New York Herald in 1907 published a despatch from London announcing that two well known statisticians, Dr. W. J. Harris and Rev. K. A. Like, had by a careful calculation estimated the wealth of the United Kingdom at \$46,000,000,000, or \$1,035 per capita. The United States Census Office estimated the wealth of the United States in 1905 at \$107,000,000,000, or \$1,310 per capita.

As a party shows itself homogeneous, able to grasp the truth with respect to new issues, able to discard unimportant differences of opinion, sensitive with respect to the successful maintenance of government, and highly charged with the responsibility of its obligation to the people at large, it establishes its claim to the confidence of the public and to its continuance in political power.—Hon. Wm. H. Taft, at Kansas City, Mo.

### VALUE OF THE FACTORY TO THE FARMER.

**Practical and Statistical Evidence that Manufacturing Establishments Increase the Earnings of Farmers in the Section Where Located and Advance the Permanent Value of Farm Properties.—A Comparison of Conditions in the Manufacturing and Nonmanufacturing Sections, Based Upon Official Figures.**

The table here presented illustrates by figures taken from official reports the value to the farmer of the location of manufacturing industries in his immediate vicinity. That the existence of a great manufacturing industry in the country—an industry which employs 5 million people and pays wages and salaries amounting to  $2\frac{1}{2}$  billions of dollars per annum—is of great value to the farming interests goes without saying, but that the location of the factory in the immediate vicinity of the farm adds to the value of that farm and to the earnings of those who own or occupy it is also true.

Mr. McKinley remarked in the House of Representatives in the discussions of the Fiftieth Congress that "the establishment of a furnace or factory or mill in any neighborhood has the effect at once to enhance the value of all property and all values for miles surrounding it;" and Thomas B. Reed, of Maine, inquired, "Which is it better for the farmer to do—send his surplus a thousand miles to the seacoast, 3,000 miles across the water and sell it to the mechanic who gets less wages, or sell it right here at home to the mechanic who gets more wages?" "Every farmer knows," said Representative Brewer, of Michigan, in the Fiftieth Congress, "that he cannot send to foreigners his potatoes, vegetables, and many other things which he grows upon the farm and that he must rely upon the home market for the same, and this is why the lands in rough and rocky New England and sterile New Jersey are more valuable than are fertile lands in Michigan and Minnesota."

"The extraordinary effect," said President Grant, in a message to Congress, "produced in our country by a resort to diversified occupations has built a market for the products of fertile lands destined for the seaboard and the markets of the world. The American system of locating various and extensive manufactories next to the plow and the pasture and adding connecting railroads and steamboats has produced in our distant interior country a result noticeable by the intelligent portions of all commercial nations."

The table which follows, made up from official figures, is intended to illustrate, in some degree, the effect upon the farm and its occupant of the proximity of manufacturing industries. In preparing this table that part of the United States lying north of the Potomac and Ohio rivers and east of the Mississippi has been taken as the chief manufacturing section of the country, and the value of the farm lands and farm products in that section is contrasted with that in the other part of the United States, which has comparatively little manufacturing and may be termed the agricultural but non-manufacturing section. The portion of the United States designated as the manufacturing section in this table and discussion, then, includes all of the New England and Middle States and Maryland, District of Columbia, Ohio, Indiana, Illinois, Wisconsin, and Michigan. This manufacturing section contains, speaking in round terms, one-half (50.9 per cent) of the population of the United States, while the agricultural, but non-manufacturing section, lying south of the Potomac and Ohio rivers and west of the Mississippi contains the other half (49.1 per cent.) of the population. In the section north of the Potomac and Ohio rivers and east of the Mississippi is produced 77 per cent of the manufactures of the country, and in the other section 23 per cent, as shown by the reports of the census of 1900. The section designated as the manufacturing section has no advantage in soil or climate over large portions of the other section.

More than one-half of the wheat, two-thirds of the corn, all of the cotton, and by far the largest share of the meat and



wool supply of the United States are produced in the agricultural and non-manufacturing section, while more than three-fourths of the manufactures are produced in the manufacturing section, the population in the two sections being practically equal.

This division of the territory of the United States into these two great sections—each containing one-half of the population, the one performing approximately three-quarters of the manufacturing of the United States and the other approximately three-fourths of the agricultural industry of the country—gives an opportunity for a broad, intelligent and absolutely fair study of the effect of the proximity of the factory upon the farmer as relates to the value of his property and its annual production and of his own earning power as an individual. It will be seen by a study of the table that the average value per acre of all farm lands in the manufacturing section in 1900 was, according to the census, \$24 per acre, and in the non-manufacturing section, \$12 per acre; and the average value of lands and buildings in the manufacturing section, \$32 per acre, and in the non-manufacturing section, less than \$15 per acre; while the value per acre of improved land only, including buildings, was, in the manufacturing section, \$58 per acre, and in the other section but \$31. The average value of buildings, which represent in some degree the savings of the farmer, was, in the manufacturing section, \$15 per improved acre, and in the non-manufacturing section \$5.50 per improved acre, while of implements used upon the farms the value per improved acre in the manufacturing section was nearly twice as great as in the non-manufacturing section. Coming to the value of farm products, the average value per improved acre in the manufacturing section was \$141, and in the non-manufacturing section \$101. The average value per head of milch cows in the manufacturing section was \$33, and in the other section \$27. The average value per head of horses in the manufacturing section was \$60, and in the non-manufacturing section \$43, and the average value of farm products per person engaged was, in the manufacturing section, \$619, and in the non-manufacturing section \$394.

Thus in all of these evidences of prosperity, earnings, value of property, etc., the condition of the farmer in the manufacturing section was, according to the figures of the last census, much higher than that in the non-manufacturing section, despite the fact that the non-manufacturing section has soil, climate, lands, and producing power quite as favorable and in many cases more favorable than those of the manufacturing section. In the great and final measure of relative prosperity of the farmer in the two sections, as indicated by the item "Average value of farm products per person engaged," the earnings of the farmer in the manufacturing section are 57 per cent. greater than those in the non-manufacturing section whose soil, climate, etc., and producing capacity certainly equal, if they do not surpass as a whole, those of the manufacturing section as a whole.

Another measure of the relative prosperity of the people of the two sections is found in the deposits in savings banks, in which the per capita in the manufacturing section is \$57, and in the non-manufacturing section less than \$7, while of deposits in all banks the per capita in the manufacturing section is \$153 and in the other section \$37. The assessed value of real and personal property, that measure of accumulations and permanent prosperity is, in the manufacturing section, \$606 per capita and in the non-manufacturing section \$278 per capita, while in other evidences of prosperity, such as salaries paid to teachers in public schools, newspapers circulated, etc., the per capita is also greatly in favor of the manufacturing section.

This table is compiled in every particular from official statistics, chiefly those of the census of 1900, though in a few instances those of the Department of Agriculture, where the latter could be utilized to obtain data for a later year than the census.

Attention is called to the map of the United States on the cover of this volume, which indicates the two sections here discussed and some of the countries presented.

*Relative conditions of prosperity in the manufacturing and non-manufacturing sections of the United States, respectively.\**

[From Census of 1900.]

	Manufacturing section.	Other States.
Per cent of total population of United States.....	50.9	49.1
Per cent of total area of United States.....	14.1	85.9
Gross value of manufactures in 1900.....	\$10,021,718,461	\$2,988,318,053
Per cent of total manufactures produced in section.....	77	23
Salaries and wages paid in manufactures in 1900.....	\$2,194,936,683	\$536,471,656
Number of persons employed in manufactures in 1900.....	4,437,714	1,273,917
Average value per acre of all farm lands.....	\$24.07	\$12.78
Average value per acre of all lands and buildings.....	\$32.50	\$14.85
Average value per acre of land (improved only) and buildings.....	\$58.60	\$31.65
Average value of buildings per improved acre.....	\$15.25	\$5.54
Average value of implements owned per improved acre.....	\$2.54	\$1.47
Average value per head of milch cows.....	\$33.62	\$27.46
Average value per head of horses.....	\$60.87	\$43.32
Average value of all farm products, per improved acre.....	\$141.00	\$101.40
Average value of farm products, per person engaged.....	\$619.25	\$394.50
Deposits in savings banks, total.....	\$2,200,439,838	\$249,108,047
Deposits in savings banks, per capita.....	\$56.90	\$6.67
Deposits in all banks, total.....	\$5,949,984,845	\$1,384,666,395
Deposits in all banks, per capita.....	\$153.80	\$37.10
Bank clearings, total.....	\$76,356,970,422	\$3,225,479,659
Bank clearings, average per capita.....	\$1,973.50	\$220.40
Banking resources, total.....	\$8,613,200,000	\$2,167,500,000
Banking resources, average per capita.....	\$222.65	\$58.10
Real and personal property, assessed valuation.....	\$23,445,809,898	\$10,388,667,238
Real and personal property, per capita.....	\$606.25	\$278.50
Salaries paid teachers in public schools.....	\$85,234,961	\$52,452,785
Newspapers published, number.....	9,151	9,075
Newspapers, aggregate circulation.....	6,168,125,616	2,000,023,133

\*Manufacturing section includes area north of the Potomac and Ohio and east of the Mississippi, viz., the New England and Middle States, and Maryland, District of Columbia, Ohio, Indiana, Illinois, Michigan, and Wisconsin.

## SHEEP AND WOOL INDUSTRY.

### Some Figures on the Losses under Free Trade in Wool.

The losses to the sheep and wool producers of the country through the Wilson-Gorman tariff law, which placed wool on the free list, are well remembered in general terms, but the actual figures regarding the fall in the value of sheep and the reduction in the number of sheep and the wool produced are such as to justify presentation. The figures of the Department of Agriculture show that the number of sheep in the United States on January 1, 1893, two months after the election of President Cleveland, was 47,273,553, and their value \$125,909,254. The same authority, the Department of Agriculture, operating under a Democratic Administration, showed on Jan. 1, 1896, the closing year of President Cleveland's term, 36,818,643 sheep in the United States and their value \$67,100,942. Here is a decrease of more than 10 millions or nearly 25 per cent. in the number of sheep and a decrease of 58 million dollars, or nearly 50 per cent. in their value during President Cleveland's term, under which wool was placed on the free list. By January 1, 1903, the number of sheep had reached 63,964,876, and the value \$168,315,750, an increase of practically 75 per cent. in the number, and 150 per cent. in the value of the sheep in the country. This, however, is not all of the loss to the farmer—a loss of nearly 60 million dollars in the value of sheep alone. There was also a great loss in wool. The quantity of wool produced in 1893

was 303 million pounds and by 1895 had fallen to 209 million pounds and did not again reach the 300 million line until 1901, when it was 302 millions and in 1902, 316 millions. Here was a reduction of practically one-third in the quantity of wool produced in 1895 as compared with 1893. But even this does not measure the loss, since the value per pound of the reduced production was far below that of prior years. Wool price quotations published by the Bureau of Statistics show that grades of wool which sold at 35 cents per pound in 1891 had fallen to 19 cents per pound in 1896 and by 1901 were again above the price of 30 cents per pound. A careful estimate of the value of the wool product of the United States made by an eminent authority on the subject puts the total value of the wool product of the country in 1892 at 79 million dollars, and in 1896 at 32½ millions, a loss of 46½ millions. Adding this loss in wool to the 58 million dollars loss in value of sheep, above quoted, gives a grand total of the loss to the farmer in the value of sheep and wool of over 100 million dollars for a single year for which this calculation is made, or approximately 400 million dollars for the four years of the Cleveland Administration. In 1907 the value of wool was estimated by experts at \$78,000,000, or two and one-half times that of 1896.

#### **Effect of Protection and Free Trade in Regard to Sheep.**

The official reports of the United States Government upon the subject of sheep raising and sheep values teach a wonderful lesson.

From 1878 to 1882, inclusive, the Morrill tariff (protection) was in force, and the number of sheep throughout the country increased by over 11,000,000 during this period.

The tariff of 1883 was in force from 1883 to 1889, inclusive. The duties imposed by this tariff upon raw wool amounted to no more than a revenue tariff on yarns and some other goods produced from wool; consequently the result of this tariff as a whole was not protective. Under its operation the number of sheep throughout the United States decreased by about 6,000,000.

The McKinley tariff, passed in 1890, was a scientific tariff as applied to wool growing, with the result that the number of sheep throughout the country increased by nearly 4,000,000 before the free-trade election of 1892.

The Wilson tariff, with free trade in wool, practically went into effect when Mr. Cleveland was elected, and immediately the flocks throughout the country began to decrease, and from 1893 to 1896 decreased by about 9,000,000.

The Dingley tariff reimposed the scientific schedules of the McKinley tariff, and with the promise of protection through the election of William McKinley and a Republican Congress the sheep-raising industry immediately began to prosper. From 1896 to and including 1907 the number of sheep increased by 17 million and their value increased 144 million dollars.

The effect of protection and free trade in regard to the number of sheep owned throughout the country is not more impressive than the effect as to value. Under the Morrill tariff the lowest price per head was \$2.09 and the highest \$2.55. Under the tariff of 1883 the lowest price per head was \$1.91 and the highest price was \$2.27. Under the McKinley tariff the lowest price was \$2.49 and the highest price \$2.66. Under free trade the lowest price was \$1.58 and the highest price \$1.92. Under the Dingley tariff the lowest price was \$2.59 per head, and now the value has advanced to \$3.95 per head, the highest average price in the history of the nation.

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**Well-paid wage-earners are generous consumers.—Former Senator Casey, in the American Economist.**

When we regard the history of the forty years through which the colored man of this country has been obliged to struggle, the progress which he has made, material and educational, is wonderful.—Hon. Wm H Taft, at Kansas City, Mo.



*Report of the United States Government on sheep raising from 1878 to 1898, inclusive, and report for 1900, based upon the sheep-raising census of the American Protective Tariff League.*

Year.	Number of sheep.	Average price per head.	Total value.
<b>The Morrill tariff:</b>			
1878.....	38,123,800	\$2.09	\$79,023,984
1879.....	40,765,900	2.21	90,230,537
1880.....	43,576,899	2.39	101,070,759
1881.....	45,016,224	2.37	106,594,954
1882.....	49,237,291	2.52	124,365,835
<b>The tariff of 1883:</b>			
1883.....	50,626,626	1.37	119,902,706
1884.....	50,360,243	2.14	107,960,650
1885.....	48,322,331	1.91	92,443,867
1886.....	44,759,314	2.01	89,872,839
1887.....	43,544,755	2.05	89,279,926
1888.....	42,599,079	2.13	90,640,369
1889.....	44,336,072	2.27	100,659,761
<b>The McKinley tariff:</b>			
1890.....	43,431,136	2.49	108,397,447
1891.....	44,928,365	2.58	116,121,290
1892.....	47,273,553	2.66	125,909,264
<b>The Wilson tariff, free trade in wool.</b>			
1893.....	45,048,017	1.98	89,186,110
1894.....	42,294,064	1.53	66,685,767
1895.....	38,298,783	1.70	65,167,735
1896.....	36,818,643	1.82	67,020,942
<b>The Dingley tariff:</b>			
1897.....	37,656,960	2.46	92,721,133
1898.....	39,114,453	2.75	107,697,530
1899.....	41,883,065	2.93	122,665,913
1900.....	59,756,718	2.98	178,072,476
1901.....	62,039,091	2.65	161,446,091
1902.....	63,964,876	2.64	168,315,750
1903.....	51,630,144	2.59	133,530,009
1904.....	45,170,423	2.82	127,331,850
1905.....	50,631,619	3.51	179,053,114
1906.....	53,240,282	3.83	201,210,129
1907.....	53,631,000	3.88	211,736,000

**Wool Production, Imports, Consumption, Manufacture, Price of Wool, and Value of Sheep on Farms, 1875 to 1907.**

This table, showing the home production and imports of wool, the percentage which foreign wool forms of the total consumption, the price of wool in the United States, and the number and value of sheep on farms, covers the period from 1875 to 1907, and enables a comparison of conditions under the protective system with those under free trade, since wool was admitted free of duty under the Wilson Act, which went into effect August 27, 1894, and continued in operation until July 24, 1897. It will be seen that the quantity of wool imported increased enormously during that time, that the price of domestic wool fell to about one-half of that of former years, that the number of sheep on farms was materially reduced and their price per head also greatly reduced, so that the value of sheep on farms fell from 125 million dollars shortly before the enactment of that law to 65 millions in the latter part of its operation.

The course of the Republican party since its organization in 1856, and its real assumption of control in 1861, down to the present day, is remarkable for the foresight and ability of its leaders, for the discipline and solidarity of its members, for its efficiency and deep sense of responsibility for the preservation and successful maintenance of the government, and for the greatest resourcefulness in meeting the various trying and difficult issues which a history of now a full half-century have presented for solution.—Hon. Wm. H. Taft, at Kansas City, Mo.

Government must be honest, business dealing must be square with the principles of right and justice, the things that are pure and clean and of good repute must be exalted; and underlying the whole fabric of our institutions we must safeguard our schools and keep pure and undefiled, as the very foundation of our liberties, the American home.—Postmaster General Cortelyou on Lincoln's influence on American Life.

Wool production, imports, consumption, and manufacture in the United States; also price of wool and value of sheep on farms, 1875 to 1907.

[From the Statistical Abstract of the United States, 1907.]

Year ending June 30—	Production.	Imports.	Per cent. of consumption, foreign.	Value of imports of wool, and manufactures of.		Price of fine washed clothing, Ohio fleece, per pound.	Sheep on farms in the United States.	
				Wool, raw.	Manufactures of wool.		Number.	Value.
	Pounds.	Pounds.		Dollars.	Dollars.	Cents.		Dollars.
1875	181,000,000	54,901,760	22.1	11,071,259	44,609,704	52	33,783,600	94,320,652
1876	192,000,000	44,642,836	18.3	8,247,617	33,209,800	38	35,935,300	93,666,318
1877	200,000,000	42,171,192	16.3	7,156,944	25,701,922	50	35,804,200	80,892,683
1878	208,250,000	48,449,079	16.9	8,363,015	25,230,154	36	35,740,500	80,603,062
1879	211,000,000	39,005,155	14.2	5,034,545	24,355,821	37	38,123,800	79,023,984
1880	232,500,000	128,131,747	34.9	23,727,650	33,911,093	46	40,765,900	90,230,537
1881	240,000,000	55,964,236	17.3	9,703,968	31,156,426	42	43,569,899	104,070,759
1882	272,000,000	67,861,744	19.0	11,096,050	37,361,520	42	45,016,224	106,595,954
1883	290,000,000	70,575,478	18.7	10,949,331	44,274,952	39	49,237,291	124,366,335
1884	300,000,090	78,350,651	20.6	12,884,709	41,151,583	35	50,626,626	119,902,706
1885	308,000,000	70,596,170	18.0	8,879,923	35,776,559	32	50,360,243	107,960,650
1886	302,000,000	129,084,958	28.9	16,746,081	41,421,319	33	48,322,331	92,443,867
1887	285,000,000	114,038,030	27.4	16,424,479	44,902,718	34	44,759,314	89,872,839
1888	269,000,000	113,558,753	28.9	15,887,217	47,719,393	29	44,544,755	89,279,926
1889	265,000,900	126,487,729	31.8	17,974,515	52,564,942	35	42,599,079	90,640,369
1890	276,000,000	105,431,285	27.0	15,264,083	56,582,432	33	44,336,072	100,659,761
1891	285,000,090	129,303,648	30.8	18,231,372	41,060,080	31	43,421,136	108,397,440
1892	294,000,000	148,670,652	33.1	19,688,108	35,565,879	28	44,938,365	116,121,290
1893	303,153,000	172,433,838	35.7	21,064,180	38,048,515	24	47,273,553	125,909,260
1894§	298,057,384	55,152,585	14.2	6,107,438	19,439,372	20	45,048,017	89,186,110
1895§	309,748,000	206,033,906	40.0	25,556,421	38,539,890	18	42,294,064	66,685,767
1896§	272,474,708	230,911,473	45.9	32,451,242	53,494,400	17	38,298,783	65,167,735
1897§	259,153,251	350,852,026	57.8	53,243,191	49,162,992	21½	36,818,613	67,020,942
1898	266,720,684	132,795,202	32.8	16,783,692	14,823,771	28	37,656,960	92,721,133
1899	272,191,330	76,736,209	19.2	8,322,897	13,832,621	29	39,114,453	107,697,530
1900	288,636,621	155,928,455	34.4	20,260,936	16,164,446	28½	41,883,065	122,665,913
1901	302,502,328	103,583,505	24.9	12,529,881	14,585,306	25	59,756,718	178,072,476
1902	316,341,032	166,576,966	34.1	17,711,788	17,384,463	26	62,039,091	164,446,091
1903	287,450,000	177,137,796	37.8	22,152,961	19,546,385	31½	63,964,876	168,315,750
1904	291,783,032	173,742,834	37.0	24,813,591	17,733,788	32½	51,630,144	133,530,099
1905	295,488,438	249,135,746	45.5	46,225,558	17,893,663	36	45,170,423	127,331,850
1906	298,915,130	201,688,668	39.6	39,068,372	23,080,683	33	50,631,619	179,056,144
1907	298,294,750	203,847,545	40.0	41,534,028	22,321,460	34	53,240,282	204,210,129

§ Democratic and low tariff years.

### BEET SUGAR.

The fact that about a hundred million dollars' worth of sugar is brought from foreign countries each year to meet the demands of the people of the United States, coupled with the belief that the production of this great sugar supply by our farmers is possible, renders proper a careful consideration of the effect of the recent legislation by which sugar from Porto Rico and the Hawaiian Islands is admitted free of duty, that from the Philippines at 25 per cent. below, and that from Cuba at 20 per cent. below the regular tariff rates. Will the absolute removal of all duty on sugar from Porto Rico and the Hawaiian Islands and the reduction of 25 per cent. on sugar from the Philippines and 20 per cent. on that from Cuba destroy the beet-sugar industry of the United States or work to its disadvantage? While it is a fact that the annexation of Hawaii and its organization as a Territory and customs district of the United States removed permanently all tariff on merchandise from those islands or passing into them from the United States, that fact made no change in the rates of duty on sugar from the islands, its only effect being to render absolutely permanent the conditions which had existed ever since the treaty of 1876, by which sugar from the Hawaiian Islands was admitted free on agreements that products of the United States should be admitted into the Hawaiian Islands free of duty, and that condition continued down to the annexation of Hawaii, when it was made permanent, as above indicated. In the case of Porto Rico all of the duty except 15 per cent. was removed by the act establishing the government of Porto Rico, and the remainder of that duty disappeared as soon as the Porto Rican



government announced its ability to provide its own revenues. The reduction of 25 per cent. in the rates of duty on merchandise from the Philippine Islands occurred on March 8, 1902.

#### Effect on the Home Producer.

All of these removals of duty on sugar from our own possessions have been in force a sufficient length of time to give opportunity to test their effect upon domestic sugar production. The quantity of sugar imported from Porto Rico increased from 86,607,317 pounds in the fiscal year 1897 to 408,149,992 pounds in the fiscal year 1907. The sugar imports from the Hawaiian Islands have increased from 431,196,980 pounds in 1897 to 822,014,811 pounds in the fiscal year 1907; and those from the Philippine Islands decreased from 72,463,577 pounds in the fiscal year 1897 to 25,164,756 pounds in the fiscal year 1907—the reduction in imports of sugar being, of course, due to the destruction of plantations and machinery during the war. Thus the quantity of sugar imported from Porto Rico, Hawaii, and the Philippine Islands in 1907 was practically double that of 1897. The entire quantity of sugar brought into the United States in the fiscal year 1907 amounted to 5,224,259,732 pounds. Of this total importation, 1,230,164,803 pounds came from Porto Rico and the Hawaiian Islands, and was absolutely free of duty, and this formed 23.5 per cent., or practically one-fourth of the total; while that from the Philippine Islands, which amounted to 25,164,756 pounds, came in with a reduction of 25 per cent. of the regular duty and formed about  $\frac{1}{2}$  of 1 per cent. of the total. Thus practically one-fourth of the sugar coming into the United States in 1907 was admitted absolutely free of duty from the Hawaiian Islands and Porto Rico. In 1897 the amount which came in free of duty from the Hawaiian Islands was 431,196,980 pounds, and this formed 8.9 per cent. of the total sugar importation of that year.

#### Increase of Beet Sugar Production since the Annexation of Hawaii and Porto Rico.

Here, then, is a fair basis upon which to determine the effect of the importation of sugar from our own possessions free of duty. In 1897 practically 9 per cent. of the sugar imported came in free of duty. In 1907 practically 25 per cent. came in free of duty. If such free importation were likely to affect disadvantageously beet sugar production at home, an increase from 9 per cent. to 25 per cent in the importations of free sugar would doubtless have made itself apparent by a reduction in the sugar production of the United States. But let us see what the beet sugar production of the country was in the two years in question—1897, when 9 per cent. of the sugar was imported free, and 1907, when 25 per cent. was imported free. The reports of the Department of Agriculture and Bureau of Statistics show that the beet sugar produced in the United States amounted in 1897 to 88,892,160 pounds. By 1899 it had increased to 141,230,160 pounds; by 1901 to 279,682,160 pounds; and in 1906 was 967,224,000 pounds. Here, then, is an increase of 988 per cent. in the beet sugar production of the United States during the very period in which free importation of sugar from Porto Rico was established and that from Hawaii made absolutely permanent by annexation and its establishment as a customs district of the United States, in which period the quantity of sugar imported free of duty increased 185 per cent. If an increase of 185 per cent. in the quantity of sugar imported free of duty, coupled with absolute assurance that the sugar fields of Porto Rico and Hawaii are to have permanently free access to the markets of the United States, was accompanied by an increase of 988 per cent. in the production of beet sugar at home, there seems little ground for any anxiety as to the effect of free sugar importation from our own territory in depressing beet sugar production at home.

Tables published on another page show the importation of sugar into the United States, the home production of various kinds of sugar, and the total home consumption for a term of



years; also the quantity brought into the United States from Porto Rico and Hawaii respectively, from 1895 to 1903; also the total product of beet and cane sugar, respectively, in the world during a long term of years.

*Production of cane and beet sugar in the principal producing countries of the world for the sugar year 1907-8.\**

Countries.	Cane sugar production. Gross tons.	Countries.	Beet sugar production. Gross tons.
Java -----	1,155,477	Germany -----	2,132,000
Cuba -----	1,000,000	Austria -----	1,450,000
Hawaiian Islands -----	420,000	France -----	725,000
Brazil -----	185,000	Russia -----	4,410,000
Mauritius -----	145,000	Belgium -----	235,000
Australia -----	214,500	Holland -----	175,000
Louisiana -----	335,000	All other -----	435,000
All other -----	3,498,900		
Total -----	6,954,877	Total -----	6,893,000

\* Figures for cane sugar production taken from Willett and Gray's Sugar Trade Journal, March 19, 1908; figures for beet sugar production taken from F. O. Licht's estimate in the same journal, February 6, 1908.

*World's supply of beet and cane sugar, from 1840 to 1907.*

[Compiled from London Statist, Census Bulletin, and Willett & Gray.]

Years.	Beet sugar (tons).	(a) Cane sugar (tons).	Total sugar (tons).	Per cent supplied by beet.
1840 -----	50,000	1,100,000	1,150,000	4.4
1850 -----	200,000	1,200,000	1,400,000	14.3
1860 -----	389,000	1,510,000	1,899,000	20.4
1870 -----	831,000	1,585,000	2,416,000	34.4
1871-72 -----	859,479	1,791,181	2,650,663	32.4
1872-73 -----	1,124,343	1,840,986	2,965,329	37.9
1873-74 -----	1,145,849	1,711,763	2,857,612	40.1
1874-75 -----	1,165,336	1,756,681	2,922,017	39.9
1875-76 -----	1,340,921	1,692,828	3,043,749	44.4
1876-77 -----	1,083,739	1,682,531	2,766,270	39.2
1877-78 -----	1,398,373	1,715,900	3,114,273	44.9
1878-79 -----	1,519,276	1,965,990	3,515,266	44.1
1879-80 -----	1,430,952	1,903,316	3,334,268	42.9
1880-81 -----	1,746,501	1,902,346	3,648,847	47.9
1881-82 -----	1,831,584	2,016,084	3,847,668	47.6
1882-83 -----	2,113,070	2,104,072	4,217,142	50.1
1883-84 -----	2,323,548	2,547,531	4,871,079	47.7
1884-85 -----	2,506,608	2,592,647	5,099,255	49.2
1885-86 -----	2,185,490	2,702,850	4,888,340	44.7
1886-87 -----	2,707,543	2,805,735	5,513,278	49.1
1888-89 -----	2,743,679	2,480,700	5,224,379	52.5
1887-88 -----	2,442,981	2,642,000	5,084,981	48.0
1889-90 -----	3,578,409	2,475,800	6,054,209	59.1
1890-91 -----	3,655,709	2,868,900	6,524,600	56.0
1891-92 -----	3,451,936	3,231,561	6,683,497	51.7
1892-93 -----	3,386,423	3,045,186	6,431,609	52.7
1893-94 -----	3,848,241	3,531,621	7,379,862	52.1
1894-95 -----	4,736,883	3,510,670	8,247,553	57.4
1895-96 -----	4,246,924	2,809,477	7,056,401	60.2
1896-97 -----	4,876,422	2,841,857	7,718,279	63.2
1897-98 -----	4,795,813	2,861,255	7,660,068	62.6
1898-99 -----	4,935,837	2,995,438	7,931,275	62.2
1899-1900 -----	5,503,815	3,056,294	8,560,109	64.3
1900-1901 -----	5,972,274	3,616,050	9,618,333	62.1
1901-2 -----	6,816,614	4,078,944	10,895,558	62.6
1902-3 -----	5,659,886	4,144,453	9,804,339	57.7
1903-4 -----	6,089,168	4,244,206	10,333,674	58.9
1905 -----	4,918,180	1,500,782	6,418,962	51.7
1906 -----	7,216,060	5,016,870	12,232,930	58.9
1907 -----	7,143,818	5,148,950	12,292,768	58.1

a Exclusive of production of cane sugar in British India, averaging, for recent years, about 2,000,000 tons a year, and which is consumed locally.

#### **Sugar Imported, Produced and Consumed in the United States, and the Growth of the Sugar Production.**

This table shows the quantity of sugar imported from foreign countries, the quantity brought from our own islands, the quantity of cane and of beet sugar, respectively, produced in the United States; the quantity exported and total quantity con-

sumed, the consumption per capita, and the share of the consumption supplied by our own factories, including in this term only those of continental United States and not of Hawaii or the Philippine Islands. The separate statement of the quantity brought from Porto Rico and Hawaii begins with the year 1901, prior to which time the sugar brought from those islands was included in the figures of sugar imported from foreign countries.

An interesting feature of this table is the rapid growth in beet sugar production shown by the column which states the number of pounds of beet sugar produced in the United States. The production of beet sugar in the United States has grown from 163 million pounds in 1900 to 967 millions in 1907, despite the fear entertained by some that the free admission of sugar from Hawaii and Porto Rico coupled with the reduction in rates of duty in that imported from Cuba and the Philippine Islands might seriously interfere with, if not actually destroy, that industry in the United States. It will be noted that the production of beet sugar, which in 1901 was but one-fourth as much as that of cane, was in 1907 nearly twice as great as that of cane. The number of beet sugar factories has grown from 15 in 1900 to 63 in 1907. The share of our sugar consumption supplied by production within continental United States which in 1900 was but 11.1 per cent, was in 1907 22.3 per cent, while about 20 per cent of the consumption was supplied by sugar from Porto Rico and Hawaii. The production of sugar in Porto Rico has grown with great rapidity since the enactment of the law admitting the products of that island free of duty to the markets of the United States. The shipments of sugar from Porto Rico to the United States in the fiscal year 1901, the first year following that Act, amounted to but 137 million pounds, and in 1907 408 million pounds, and in the fiscal year 1908 will aggregate approximately 430 million pounds, or practically three times as much in 1907 as in 1901. The quantity shipped from Hawaii in 1900 was 691 million pounds, and in 1907, 822 millions, while for the fiscal year 1908 the total will approximate one billion pounds. Naturally the percentage of gain has been much larger in the case of Porto Rico than in that of Hawaii, since sugar from Hawaii was admitted free under the reciprocity agreement for many years prior to annexation, while that from Porto Rico paid, prior to annexation, the same rate of duty as that from other foreign countries. The actual growth in quantity imported from Porto Rico and Hawaii has been in each case about 300 million pounds, comparing the figures of 1901 with the prospective figures of 1908.

Speaking in very general terms, it may be said that the quantity of sugar annually consumed in the United States is between 6 and 7 billion pounds, of which about one-fifth is produced in continental United States, another fifth in Porto Rico, Hawaii, and the Philippines and the remaining three-fifths brought from foreign countries; and of the 3,872 million pounds brought from foreign countries in the calendar year 1907, 3,032 million pounds were from Cuba, 598 millions from the Dutch East Indies, 23 millions from Germany, and a little less than 3 million pounds from Austria-Hungary, the sugar from European countries being presumably beet. The quantity brought from the Philippine Islands in 1907 was 25 million pounds or a little more than one day's supply, the average daily consumption in the United States being now about 20 million pounds per day.

With all this rapid growth in home production and importation duty-free from Porto Rico and Hawaii, the quantity required from foreign countries has not been diminished, but on the contrary steadily increases. The imports of sugar from foreign countries in the fiscal year 1907 were larger than in any year of our foreign commerce except 1897, when excessively large quantities were rushed in in anticipation of an approaching change in tariff.

With reference to Philippine sugar, it may be said that the importations from those islands have averaged 40 million pounds per annum during the last ten years, while the consumption of the United States now averages about 20 million pounds a day, so that the Philippines have since annexation furnished on an

average about two days' supply per annum of our sugar requirements and during the more recent part of that time Philippine sugar has been admitted at a reduction of 25 per cent of the regular rates of duty; or, in other words, has paid 75 per cent of the rates of duty paid on sugar from foreign countries.

*Imports of sugar into the United States from Porto Rico, the Hawaiian and Philippine Islands in each year from 1901 to 1907 (in pounds).*

Fiscal year.	Porto Rico.	Hawaii.	Philippine Islands.
1901.....	137,201,828	690,877,934	4,633,333
1902.....	183,817,049	720,533,357	11,424,000
1903.....	226,143,508	774,825,420	18,773,333
1904.....	259,231,607	736,491,992	61,570,614
1905.....	271,319,993	832,721,387	77,997,424
1906.....	410,544,618	716,602,637	69,373,602
1907.....	408,149,992	822,014,811	25,164,756

**We seek physical power because it may advance our moral and intellectual well-being.—Hon. C. W. Fairbanks, at Lancaster, Mass., June 30, 1903.**

**We shall send our flag into all ports of trade, not as a menace, but as the harbinger of peace and good-will.—Hon. C. W. Fairbanks, at Freehold, N. J., June 27, 1903.**

**The policy of expansion is what distinguishes the administration of McKinley and adds another to the list of patriotic victories of the Republican party. By this policy the United States has become a world power.—Hon. Wm. H. Taft, at Kansas City, Mo.**

**It is as much our imperative duty to protect capital and labor in the free and proper exercise of their functions as it is to restrain and forbid the encroachments of wrong.—Hon. C. W. Fairbanks, at St. Paul, Minn., August 31, 1903.**

**The mints will not furnish the farmer with more consumers. The only market that he can rely upon every day of the year is the American market.—Maj. McKinley to Indiana delegation, at Canton, September 29, 1896.**

**The dollar paid to the farmer, the wage-earner, and the pensioner must continue forever equal in purchasing and debt-paying power to the dollar paid to any Government creditor.—Maj. McKinley to Notification Committee, 1896.**

**No amount of intelligence and no amount of energy will save a nation which is not honest, and no government can ever be a permanent success if administered in accordance with base ideals.—Theodore Roosevelt, in "American Ideals."**

**In this age of frequent interchange and mutual dependence, we can not shirk our international responsibilities if we would; they must be met with courage and wisdom, and we must follow duty even if desire opposes.—President McKinley at Omaha, Oct. 12, 1898.**

**No matter how capital combines or how labor combines or how they differ among themselves, their interests are inseparable and it ought to be plain to both that they can not afford to go out of business in favor of foreign labor and foreign capital by abandoning the policy of protection.—Hon. E. L. Hamilton, in Congress, April 14, 1904.**

**Only twice in all that remarkable history of 48 years have we lost the confidence of the people of the United States to the point of their turning over the government to a Democratic executive. I venture to say that neither in this nor in any other country can be disclosed such a remarkable record of arduous deeds done as in that history of a half a century of the Republican party.—Hon. Wm. H. Taft, at Kansas City, Mo.**

**As a party shows itself homogeneous, able to grasp the truth with respect to new issues, able to discard unimportant differences of opinion, sensitive with respect to the successful maintenance of government, and highly charged with the responsibility of its obligation to the people at large, it establishes its claim to the confidence of the public and to its continuance in political power.—Hon. Wm. H. Taft, at Kansas City, Mo.**

**One vital, dominating fact confronts the Democratic party which no oratory, which no eloquence, which no rhetoric can obscure: BRYAN'S NOMINATION MEANS TAFT'S ELECTION.—New York World.**





# RELATIVE PRICES OF ARTICLES OF FARM PRODUCTION AND FARM CONSUMPTION.

The accompanying tables showing prices of articles of farm production and farm consumption, respectively, are presented with the purpose of giving opportunity to compare the relative advance in the prices received by the farmer for his products with those which he must pay for the articles which he consumes. That there has been an advance the world over in prices of practically all articles is quite apparent not only from our own experience in the United States, but from official statements made by our consuls and others regarding prices in all parts of the world and in all the leading articles produced in various parts of the world. Elsewhere in this book will be found a large number of statements from our consuls in various parts of the world indicating a rapid advance in prices in practically all parts of the consuming world and in practically all of the articles entering consumption. These articles in which prices have advanced abroad include many of those necessarily imported into the United States for manufacturing purposes, such as fibers, silk, wool, hides and skins, india rubber, tin, and many other articles; also requirements for food, including sugar, coffee, tea, etc., practically all of which must be imported because of the fact that they are not produced in the United States, or at least in sufficient quantities for our own population. In addition to these advances in prices of the raw materials, the higher prices of labor, fuel, and transportation have resulted in higher prices of manufactures in the United States and other parts of world. The following tables are given with the purpose of supplying information as to the *relative* advance in the prices of articles of farm production and of farm consumption, and will show in most cases a more rapid advance in the natural products than in articles in the manufactured state.

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That higher wage level aimed at by the fathers of the Republic, the policy of protection, which they inaugurated, secured, and still maintain.—Hon. George H. Ely, of Ohio, in the *American Economist*.

Vigorous action and measures to stamp out existing abuses and effect reform are necessary to vindicate society as at present constituted. Otherwise, we must yield to those who seek to introduce a new order of things on a socialistic basis.—Hon. Wm. H. Taft, at Kansas City, Mo.

The panic was doubtless chiefly due to the exhaustion of the free capital of the world by reason of the over-investment in enterprises that have not been as productive as expected. The enormous industrial expansion has at last tied up nearly all the world's capital which was available and new investments had to halt. This result was world-wide.—Hon. Wm. H. Taft, at Kansas City, Mo.

I would rather have my boys taught to think the finest thing in life is the honesty and frankness, the truth and loyalty, the honor and the devotion to his country of Theodore Roosevelt than to have them in possession of all the wealth in this great metropolis.—Hon. Elihu Root, at New York, Feb. 3, 1904.

Experience of more than forty years in business has taught me that under a low or revenue tariff business depression and financial distress has been the rule, while under protection good business and general prosperity has been the result.—Hon. N. D. Sperry, M. C., of New Haven, Conn., in the *American Economist*.

In the Post-Office investigation the source of corruption, the fountain head from which flowed the whole miserable business, was found not in a Republican, but in a Democratic Administration, and it was a Republican Administration which applied the lancet and let free the poison.—Hon. Albert J. Beveridge, in the Senate, April 1, 1904.

In the ballot-box our liberties are compounded. See to it that it gives true expression to the public will. Preserve it from pollution; protect and defend it as you would the Ark of the Covenant, for it has been purchased by the priceless blood of countless heroes upon the battlefields of the Republic.—Hon. C. W. Fairbanks, at Baldwin, Kas., June 7, 1901.

Prices of articles of farm production on farms in United States, 1880 to 1907. (Annual average.)

Year.	Wheat, per bushel.	Corn, per bushel.	Oats, per bushel.	Barley, per bushel.	Rye, per bushel.	Horses, per head.	Mules, per head.	Milch cows, per head.	Oxen, per head.	Sheep, per head.	Swine, per head.	Potatoes, per bushel.	Hay, per ton.	Butter, per pound.	Cheese, per pound.	Eggs, per dozen.	Cotton, per pound.	Tobacco, per pound.	Wool, per pound.			Milk, per quart.
	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Fine.	Medium.	
1880	95.1	39.6	36.0	63.6	75.5	\$51.75	\$61.26	\$23.27	\$16.10	\$2.21	\$4.28	48.3	\$11.65	17.1	9.5	16.5	11.51	7.7	46	48	42	5.2
1885	77.1	32.8	28.5	53.3	57.9	73.70	82.38	29.70	23.25	2.14	5.02	44.7	8.71	16.8	9.3	21.5	10.88	9.9	32	31	28	5.5
1886	68.7	36.6	29.8	53.6	53.8	71.27	73.60	27.30	21.17	1.91	4.26	46.7	8.16	15.6	8.3	18.3	10.45	9.6	33	33	29	5.5
1887	65.7	41.4	30.4	51.9	54.5	72.15	78.91	25.05	19.79	2.01	4.48	68.2	9.97	15.8	9.3	16.3	9.28	8.7	34	37	31	5.0
1888	92.6	34.1	27.8	50.0	58.3	71.82	79.78	24.65	17.71	2.05	4.98	40.2	8.76	18.3	9.9	15.9	10.21	8.3	29	33	31	5.0
1889	69.8	28.3	22.9	41.6	42.3	71.89	73.19	23.94	17.05	2.13	5.79	35.4	7.01	16.5	9.3	13.9	10.03	8.8	35	33	32	4.9
1890	83.8	50.6	42.4	62.7	62.9	68.84	78.25	22.14	15.21	2.27	4.72	75.8	7.87	14.4	9.0	15.4	10.65	8.7	37	37	29	2.63
1891	83.9	40.6	31.5	52.4	77.4	67.00	77.88	21.62	14.76	2.50	4.15	35.8	8.12	14.5	9.0	17.7	11.07	6.8	31	35	23	2.67
1892	62.4	39.4	31.7	47.5	54.2	65.01	75.55	21.40	15.15	2.53	4.60	66.1	8.20	16.0	9.4	18.0	8.60	8.4	28	31	30	2.68
1893	53.8	36.5	29.4	41.1	51.3	61.22	70.63	21.75	15.24	2.65	6.41	59.4	8.68	19.0	9.4	23.2	7.71	9.0	21	26	25	2.79
1894	49.1	45.7	32.4	41.2	50.1	47.83	62.17	21.77	14.63	1.98	5.98	53.6	8.51	17.6	9.7	16.9	8.56	8.5	20	21	18	2.63
1895	50.9	25.3	19.9	32.7	44.0	36.29	47.55	21.97	11.96	1.58	1.97	26.6	8.35	16.4	9.1	16.8	6.94	8.7	18	21	19	2.53
1896	72.6	21.5	18.7	32.3	40.9	33.07	45.29	22.55	15.86	1.70	4.35	28.6	6.55	15.2	8.1	14.7	7.44	8.5	17	18	17	2.31
1897	80.8	26.3	21.2	37.7	44.7	31.51	41.66	23.16	16.95	1.82	4.10	51.7	6.62	14.3	9.1	13.8	7.93	8.0	21	23	21	2.35
1898	58.2	29.7	25.5	41.3	46.3	31.26	43.88	27.45	20.92	2.46	4.39	41.4	6.00	15.0	8.6	16.3	7.00	8.7	28	29	21	2.35
1899	58.4	30.3	24.9	40.8	51.0	37.40	43.96	29.65	22.79	2.75	4.40	39.0	7.27	16.3	8.6	19.1	5.94	9.3	29	31	27	2.53
1900	61.9	35.7	25.8	45.2	55.7	44.61	53.55	31.69	24.93	2.93	5.00	43.1	8.89	17.2	10.2	16.6	6.88	8.7	28	29	21	2.71
1901	62.1	40.5	30.9	45.2	55.7	52.86	63.97	30.00	19.93	2.98	6.20	76.7	10.01	17.3	9.9	18.3	9.25	9.0	25	26	22	2.62
1902	63.0	40.3	30.7	45.9	50.8	58.61	67.61	29.23	18.76	2.65	7.02	47.1	9.06	18.0	10.1	19.5	8.75	9.2	26	26	25	2.88
1903	69.5	42.5	31.1	45.6	51.5	62.25	72.19	30.21	18.45	2.63	7.78	61.4	9.08	18.0	11.9	21.5	9.00	9.8	31	31	27	2.88
1904	92.4	41.1	31.3	42.0	68.8	67.93	78.88	29.21	16.32	2.59	6.15	45.3	8.72	16.5	10.5	22.3	11.18	9.6	32	32	30	2.75
1905	71.8	41.2	29.1	40.3	61.1	70.37	87.18	27.14	15.15	2.82	5.90	61.7	8.52	16.4	10.7	21.9	11.75	9.0	36	39	36	2.89
1906	66.7	30.9	31.7	41.5	58.9	80.72	98.31	29.44	15.85	3.54	6.18	51.1	10.37	18.0	11.7	21.0	9.80	9.5	33	37	36	3.01
1907	87.4	51.6	44.3	66.6	73.1	93.51	112.16	31.00	17.10	3.81	7.62	61.7	11.68	19.4	11.6	22.1	11.50	10.01	34	36	35	3.35

a Exchange price.



## PRICES OF FARM PRODUCTION.

Wholesale prices in New York of articles of farm consumption, 1880 to 1907. (Annual average.)

[Official figures.]

Years.	Sugar, per pound.	Sheethings, per yard.	Drilling, per yard.	Shirtings, per yard.	Calico, per yard.	Ginghams, per yard.	Tickings, per yard.	Bags, each.	Carpets, per yard.	Coffee, per pound.	Coal, per ton.	Nails, per 100 pounds.	Shovels, per dozen.	Shingles, per thousand.	Molasses, per gallon.	Starch, per pound.	Illuminating oil, per gal.	Salt, fine, per barrel.	Men's brogans.
1880	Cts. 9.80	Cts. 8.51	Cts. 12.74	Cts. 7.63	Cts. 8.81	Cts. 15.88	Cts. 19.31	Cts. 15.13	\$4.53	\$3.68	\$10.03	\$2.375	Cts. 47.34	Cts. 7.00	\$0.75	\$1.30			
1881	8.50	8.51	12.74	7.63	8.81	15.88	19.31	15.13	4.10	2.83	8.38	2.75	37.50	6.75	37.50	1.20	8.7	1.20	
1882	6.53	6.75	10.37	5.75	6.75	11.38	15.91	8.97	59.55	2.33	8.38	2.75	37.50	6.75	37.50	1.20	8.7	1.20	
1883	6.23	6.75	10.65	6.00	6.63	11.75	14.44	9.53	60.75	2.27	7.87	3.00	36.00	6.08	36.00	1.15	8.7	1.15	
1884	6.02	7.15	10.88	5.19	6.88	13.25	14.69	16.97	57.40	2.30	7.87	3.00	37.50	5.85	37.50	1.15	8.7	1.15	
1885	7.18	6.75	10.94	6.25	6.88	12.75	15.41	15.81	53.05	2.03	7.87	3.05	40.00	5.85	40.00	1.125	7.9	1.125	
1886	7.80	7.00	10.50	6.25	6.31	12.13	15.75	17.62	51.77	2.00	7.87	3.05	38.25	5.85	38.25	1.075	7.8	1.075	
1887	6.27	7.00	10.90	6.50	6.25	12.00	15.94	17.93	51.60	2.00	7.87	3.05	38.25	5.85	38.25	1.05	7.4	1.05	
1888	4.65	6.83	10.64	5.75	6.50	11.75	15.63	16.71	55.20	1.86	7.87	3.05	38.25	5.85	38.25	1.05	7.4	1.05	
1889	4.35	5.60	10.25	6.50	6.50	11.50	15.50	14.30	50.40	1.83	7.87	3.05	38.25	5.85	38.25	1.037	7.0	1.037	
1890	4.81	5.72	9.75	6.25	6.31	11.81	14.94	17.23	49.80	1.44	7.87	3.00	33.46	6.00	33.46	1.013	7.0	1.013	
1891	4.12	5.11	9.50	5.50	4.85	10.81	12.75	16.54	46.80	1.08	7.45	2.80	30.92	5.67	30.92	1.013	7.2	1.013	
1892	4.12	5.11	9.50	5.50	4.85	10.81	12.75	16.54	46.80	1.08	7.45	2.80	30.92	5.67	30.92	1.013	7.2	1.013	
1893	4.12	5.11	9.50	5.50	4.85	10.81	12.75	16.54	46.80	1.08	7.45	2.80	30.92	5.67	30.92	1.013	7.2	1.013	
1894	4.12	5.11	9.50	5.50	4.85	10.81	12.75	16.54	46.80	1.08	7.45	2.80	30.92	5.67	30.92	1.013	7.2	1.013	
1895	4.12	5.11	9.50	5.50	4.85	10.81	12.75	16.54	46.80	1.08	7.45	2.80	30.92	5.67	30.92	1.013	7.2	1.013	
1896	4.53	5.45	9.50	5.25	4.72	10.19	12.81	12.33	42.00	1.47	7.81	2.50	32.46	5.13	32.46	1.013	6.8	1.013	
1897	4.50	4.73	9.25	5.00	4.38	9.75	13.00	7.93	43.20	1.47	7.93	3.50	32.46	5.00	32.46	1.013	6.6	1.013	
1898	4.97	4.20	8.00	4.40	4.31	8.94	13.38	6.33	46.80	1.31	7.93	3.50	32.46	5.00	32.46	1.013	6.6	1.013	
1899	4.92	5.13	9.50	4.77	4.31	9.23	14.46	6.04	45.60	2.21	8.61	2.63	35.25	5.00	35.25	1.013	6.4	1.013	
1900	5.32	6.05	10.75	5.25	5.15	10.84	15.75	8.22	49.20	2.46	9.12	2.85	47.75	5.00	47.75	1.013	6.8	1.013	
1901	5.48	5.95	10.25	5.00	4.90	10.13	14.13	6.46	48.00	2.29	9.36	2.85	47.75	5.00	47.75	1.013	6.8	1.013	
1902	5.48	5.95	10.25	5.00	4.90	10.13	14.13	6.46	48.00	2.29	9.36	2.85	47.75	5.00	47.75	1.013	6.8	1.013	
1903	4.64	6.25	10.75	5.04	5.23	10.50	14.33	5.86	48.40	2.36	9.36	2.671	36.38	4.40	36.38	1.013	6.3	1.013	
1904	4.77	6.25	10.75	5.04	5.23	10.50	14.33	5.86	48.40	2.36	9.36	2.671	36.38	4.40	36.38	1.013	6.3	1.013	
1905	4.77	6.25	10.75	5.04	5.23	10.50	14.33	5.86	48.40	2.36	9.36	2.671	36.38	4.40	36.38	1.013	6.3	1.013	
1906	4.77	6.25	10.75	5.04	5.23	10.50	14.33	5.86	48.40	2.36	9.36	2.671	36.38	4.40	36.38	1.013	6.3	1.013	
1907	4.65	8.25	11.17	6.02	6.58	13.73	19.38	6.58	57.60	2.12	7.84	4.23	40.88	6.00	40.88	1.27	7.3	1.27	

c Wire nails, 8 penny, fence, at Pittsburg.

d Refined for export.

a Brown sheetings.

b Bituminous, f. o. b. New York harbor.

**Prices of Principal Agriculture Products on the Farm December 1, 1892, to December 1, 1907.**

[From report of Department of Agriculture.]

*Farm prices of wheat per bushel.*

State or Territory.	1892	1893	1894	1895	1896	1897	1900	1904	1907
Maine	\$1.02	\$1.02	\$0.79	\$0.82	\$0.81	\$1.06	\$0.90	\$1.04	\$1.01
New Hampshire	1.00	.85	.80	.76	1.00	1.10	.92		
Vermont	.96	.85	.67	.69	.93	1.01	.78	1.13	1.00
Connecticut	.87			.68		1.00	.82		
New York	.85	.76	.62	.68	.88	.90	.77	1.09	.99
New Jersey	.83	.70	.61	.71	.89	.93	.74	1.10	.98
Pennsylvania	.81	.65	.56	.65	.83	.91	.72	1.08	.96
Delaware	.75	.60	.55	.64	.87	.94	.70	1.08	.97
Maryland	.74	.76	.54	.64	.88	.93	.71	1.06	.96
Virginia	.76	.63	.56	.65	.80	.92	.72	1.09	.98
West Virginia	.75	.72	.60	.69	.78	.89	.77	1.09	1.00
North Carolina	.89	.72	.65	.72	.83	.94	.82	1.19	1.07
South Carolina	.93	.98	.87	.88	.89	1.18	1.01	1.26	1.20
Georgia	.90	.90	.76	.82	.89	1.03	.95	1.26	1.15
Ohio	.68	.57	.49	.60	.78	.88	.71	1.10	.92
Indiana	.64	.53	.46	.57	.80	.89	.70	1.06	.88
Illinois	.63	.51	.45	.53	.74	.89	.64	1.01	.87
Michigan	.67	.57	.52	.60	.84	.87	.69	1.08	.91
Wisconsin	.62	.54	.51	.51	.70	.84	.64	.98	.92
Minnesota	.61	.51	.49	.44	.68	.77	.63	.87	.92
Iowa	.60	.49	.50	.46	.62	.75	.59	.90	.82
Missouri	.58	.48	.43	.51	.70	.85	.63	.96	.84
North Dakota	.52	.43	.43	.38	.64	.74	.58	.81	.87
South Dakota	.51	.44	.46	.38	.32	.69	.58	.79	.89
Nebraska	.50	.40	.49	.40	.58	.69	.53	.87	.79
Kansas	.52	.42	.44	.45	.63	.74	.55	.89	.82
Kentucky	.67	.57	.50	.61	.76	.89	.69	1.00	.92
Tennessee	.68	.57	.51	.62	.74	.95	.79	1.11	.95
Alabama	.93	.88	.78	.80	.85	1.01	.89	1.15	1.05
Mississippi	.90	.85	.75	.61	.82	.99	.84	1.01	.88
Texas	.75	.58	.54	.66	.75	.89	.64	1.10	.99
Indian Territory								.98	
Oklahoma			.51	.48	.68	.76	.53	.93	.83
Arkansas	.80	.65	.55	.59	.71	.84	.65	1.01	.95
Montana	.69	.60	.54	.73	.66	.68	.61	.89	.81
Wyoming	.66	.65	.63	.61	.62	.70	.76	.90	.77
Colorado	.58	.52	.65	.56	.61	.70	.59	.91	.78
New Mexico	.80	.75	.88	.73	.66	.75	.68	1.06	.93
Arizona	.78	.65	1.00	.65	.80	.74	.79	1.13	1.05
Utah	.62	.60	.53	.44	.68	.68	.55	.86	.74
Nevada	.75	.73	.75	.49	.69	.90	.70	.92	1.04
Idaho	.60	.60	.46	.47	.65	.70	.46	.80	.67
Washington	.58	.48	.39	.41	.74	.68	.51	.80	.75
Oregon	.64	.55	.43	.47	.72	.72	.55	.81	.78
California	.68	.53	.57	.60	.83	.83	.58	.88	.98
General average	.624	.535	.491	.509	.726	.808	.619	.924	.882

*Farm values, corn per bushel.*

State or Territory.	1892	1895	1896	1897	1900	1902	1904	1907
	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.
Maine	67	54	47	47	55	66	81	75
New Hampshire	65	51	45	45	55	63	72	75
Vermont	64	48	38	43	50	62	73	75
Massachusetts	62	52	46	47	54	66	72	75
Rhode Island	63	56	49	54	67	81	84	80
Connecticut	62	51	42	49	55	67	73	75
New York	60	45	38	40	47	60	64	71
New Jersey	53	42	36	38	45	57	58	63
Pennsylvania	57	39	33	34	45	57	59	64
Delaware	44	34	25	30	38	49	49	52
Maryland	45	37	32	30	41	51	50	54
Virginia	53	37	32	38	49	53	59	64
West Virginia	56	40	34	40	50	64	64	72
North Carolina	54	38	37	43	57	61	62	74
South Carolina	57	46	46	49	64	69	70	78
Georgia	56	41	43	48	57	69	71	76
Florida	60	47	53	55	60	73	75	80
Ohio	42	27	21	25	34	47	46	52
Indiana	40	23	19	21	32	36	41	45
Illinois	37	22	18	21	32	36	39	44
Michigan	46	32	24	27	37	46	52	55
Wisconsin	38	30	22	25	33	43	46	55
Minnesota	37	20	19	24	29	38	36	50
Iowa	32	18	14	17	27	38	33	43
Missouri	36	20	20	24	32	34	44	47
North Dakota	40	24	25	32	42	42	40	60

*Farm values, corn per bushel—Continued.*

State or Territory.	1892	1895	1896	1897	1900	1903	1904	1907
	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.
South Dakota	33	23	18	21	29	35	36	46
Nebraska	28	18	13	17	31	28	33	41
Kansas	31	19	18	22	32	36	41	44
Kentucky	40	27	25	35	40	56	49	53
Tennessee	43	27	28	36	49	49	50	57
Alabama	52	37	45	46	58	57	60	75
Mississippi	51	37	44	45	58	54	56	75
Louisiana	50	40	45	45	50	58	57	70
Texas	45	31	41	41	47	48	52	60
Indian Territory						39	40	
Oklahoma					26	38	39	44
Arkansas	47	32	37	40	43	51	53	68
Montana	70	75	60	65	59	62	68	68
Wyoming	61	57	78	50	60	58	57	70
Colorado	40	41	36	38	48	54	54	65
New Mexico	72	56	55	58	64	75	78	72
Arizona						90	91	90
Utah	58	49	51	55	63	70	72	72
Idaho						57	70	70
Washington	60	40	57	55	59	55	66	70
Oregon	56	55	56	53	57	67	61	74
California	55	53	53	56	61	74	78	85
General average	39.4	25.3	21.5	26.3	35.7	42.5	44.1	51.6

*Farm prices of oats per bushel.*

State or Territory.	1892	1893	1895	1896	1897	1900	1904	1907
	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.
Maine	45	45	34	31	32	38	45	60
New Hampshire	44	43	35	35	38	38	47	61
Vermont	43	42	33	31	32	36	44	63
Massachusetts	48	42	34	35	33	38	45	60
Rhode Island	49	43	39	31	34	38	47	66
Connecticut	45	40	31	31	34	35	44	60
New York	39	30	28	26	27	32	38	57
New Jersey	41	35	29	28	30	31	40	56
Pennsylvania	40	35	27	24	27	30	38	54
Delaware	38	38	29	21	23	30	41	50
Maryland	38	35	27	23	26	31	36	49
Virginia	39	35	30	26	29	37	43	50
West Virginia	41	38	32	28	30	34	44	54
North Carolina	45	44	38	35	37	45	52	60
South Carolina	52	53	49	48	45	48	60	72
Georgia	52	52	46	41	42	49	55	72
Florida	55	55	65	53	53	50	60	75
Ohio	35	30	22	17	20	26	32	45
Indiana	34	28	20	16	19	23	30	42
Illinois	31	27	17	15	18	23	30	41
Michigan	35	32	23	19	23	26	33	48
Wisconsin	29	27	18	17	19	23	28	47
Minnesota	28	26	14	15	19	21	26	41
Iowa	26	23	11	12	16	20	25	38
Missouri	30	25	18	17	19	23	34	41
North Dakota	28	28	16	18	26	32	24	10
South Dakota	23	25	17	13	18	24	25	39
Nebraska	23	22	14	11	15	24	25	37
Kansas	26	27	17	16	18	23	33	42
Kentucky	37	34	26	24	27	31	40	49
Tennessee	38	31	27	26	28	35	37	50
Alabama	51	51	42	41	43	44	54	67
Mississippi	50	47	39	44	44	46	52	65
Louisiana	50	44	36	34	38	40	45	55
Texas	38	42	26	34	27	30	44	60
Indian Territory							38	
Oklahoma							36	48
Arkansas	40	39	32	31	33	35	43	51
Montana	40	37	44	31	33	42	46	46
Wyoming	38	40	39	53	35	47	39	58
Colorado	34	37	28	30	32	43	46	50
New Mexico	56	51	45	40	41	48	57	55
Arizona							74	60
Utah	40	33	30	39	33	44	47	48
Nevada							63	72
Idaho	37	41	29	30	32	40	50	42
Washington	35	35	28	40	35	40	43	45
Oregon	37	37	27	33	35	41	47	45
California	40	38	39	44	49	46	57	71
General average	31.7	29.4	19.9	18.7	21.2	25.8	31.3	44.3



## Grain, Chicago to New York, and average rates, in cents, per bushel.

[From Bulletin No. 15, Revised. Miscellaneous Series, of Division of Statistics.]

Year.	Wheat.				Corn.	
	Via lake and rail.		Via all rail.		Via lake and rail.	Via all rail.
	As reported by New York Produce Exchange.	As reported by Chicago Board of Trade.	As reported by New York Produce Exchange.	As reported by Chicago Board of Trade.	As reported by Chicago Board of Trade.	As reported by Chicago Board of Trade.
	Cents.	Cents.	Cents.	Cents.	Cents.	Cents.
1868	29.00		42.6	37.84		35.32
1869	25.00	25.20	35.1	35.57	23.55	33.20
1870	22.00	22.50	33.3	30.00	22.20	28.00
1871	25.00	25.42	31.0	31.80	23.72	29.68
1872	28.00	29.50	33.5	34.99	26.60	32.06
1873	26.90	24.61	33.2	31.02	22.98	28.93
1874	16.90	17.09	28.7	26.25	13.88	24.50
1875	14.60	13.89	24.1	24.00	13.03	22.40
1876	11.80	11.36	16.5	16.86	10.79	15.74
1877	15.80	15.46	20.3	20.50	14.06	18.90
1878	11.40	12.09	17.7	17.70	10.53	16.52
1879	13.30	13.13	17.3	17.74	12.20	14.56
1880	15.70	15.89	19.9	19.80	14.43	17.48
1881	10.40	10.49	14.4	14.40	9.42	13.40
1882	10.90	10.91	14.6	14.47	10.28	13.50
1883	11.50	11.63	16.5	16.20	11.00	15.12
1884	9.95	10.00	13.12	13.20	8.50	12.32
1885	9.02	9.02	14.0	13.20	8.01	12.32
1886	12.00	12.00	16.5	15.00	11.20	14.00
1887	12.00	12.00	a15.74	15.75	11.20	14.70
1888	11.00	11.14	a14.5	14.50	10.26	13.54
1889a	8.70	8.97	15.0	15.00	8.19	12.60
1890	8.50	8.52	14.31	14.30	7.32	11.36
1891	8.53	8.57	15.0	15.00	7.53	14.00
1892	7.55	7.59	14.23	13.80	7.21	12.96
1893	8.44	8.48	14.7	14.63	7.97	13.65
1894	7.00	7.00	12.88	13.20	6.50	12.32
1895	6.95	6.96	12.17	11.89	6.40	10.29
1896	7.32	6.61	12.0	12.00	6.15	10.50
1897	7.37	7.42	12.32	12.50	6.92	11.43
1898	4.96	4.91	11.55	12.00	4.41	9.80
1899	6.63	6.63	11.13	11.60	5.83	10.08
1900	5.05	5.10	b9.98	9.96	4.72	9.19
1901	5.57	5.54	9.92	9.88	5.16	9.21
1902	5.78	5.89	10.60	10.62	5.51	9.94
1903	6.17	6.37	11.33	11.29	5.78	10.54
1904	5.02	5.50	11.11	11.12	4.82	10.38
1905	6.44	6.40	10.20	9.90	5.19	9.40
1906	6.48	6.35	10.50	10.20	5.72	9.52
1907	6.93	c	11.30	c	c	c

a Average based upon officially published tariffs; actual rates lower.

b After 1899, for domestic consumption; rates for export lower.

c Data not available.

## Average annual freight rates from 1870 to 1907.

[From Statistical Abstract.]

Year.	Freight rates on wheat per bushel.		Freight rates on canned goods, per cwt., from Pacific coast to New York.	
	Chicago to New York, by rail.	Buffalo to New York, by canal.	Less than car-loads.	In car-loads.
	Cents.	Cents.		
1870	33.3	11.2	\$3.66	\$3.66
1871	31.0	12.6	3.76	3.76
1872	33.5	13.	3.74	3.74
1873	33.2	11.4	3.69	3.69
1874	28.7	10.0	3.78	3.78
1875	24.1	7.9	3.66	3.66
1876	16.5	6.6	3.77	3.77
1877	20.3	7.4	4.06	4.06
1878	17.7	6.0	4.17	4.17
1879	17.3	6.8	4.20	4.20
1880	19.9	6.5	4.20	4.20

*Annual average freight rates from 1870 to 1907—Continued.*

Year.	Freight rates on wheat per bushel.		Freight rates on canned goods, per cwt., from Pacific coast to New York.	
	Chicago to New York, by rail.	Buffalo to New York, by canal.	Less than car-loads.	In car-loads.
1881	14.4	4.7	2.54	2.54
1882	14.6	5.4	1.50	1.50
1883	16.5	4.9	1.50	1.50
1884	13.125	4.2	1.50	1.41
1885	14.0	3.8	1.50	1.25
1886	16.5	5.0	1.18	1.01
1887	15.74	4.5	1.55	1.20
1888	14.5	3.4	1.89	1.13
1889	15.0	4.8	2.30	1.06
1890	14.31	3.8	2.30	1.00
1891	15.0	3.5	2.30	1.09
1892	14.23	3.5	2.30	1.05
1893	14.7	4.6	2.30	1.00
1894	12.88	3.2	2.30	1.00
1895	12.17	2.2	2.30	1.00
1896	12.0	3.7	1.91	.75
1897	12.32	2.8	1.90	.76
1898	11.55	2.8	1.90	.75
1899	11.13	3.0	1.90	.75
1900	9.98	2.5	1.90	.75
1901	9.92	3.5	1.90	.75
1902	10.60	3.8	1.90	.75
1903	11.33	4.0	1.90	.75
1904	11.11	3.2	1.90	.75
1905	10.20	3.9	1.90	.75
1906	10.50	4.2	1.90	.75
1907	11.30	5.0	1.90	.75

The State is potent. Corporations and combinations which derive their breath from the State are within its absolute and perpetual control.—Hon. C. W. Fairbanks, at St. Paul, Minn., August 31, 1903.

Corporations that are handled honestly and fairly, so far from being an evil, are a natural business evolution and make for the general prosperity of our land. We do not wish to destroy corporations, but we do wish to make them subserve the public good.—President Roosevelt at Cincinnati, Ohio, September 20, 1902.

We must regard and have an interest in what our neighbors are doing, and when we can assist them, we cannot pass by on the other side as the Levite did, but we must take them up as the Good Samaritan did and bind up their wounds and prepare to send them on their way rejoicing.—Hon. Wm. H. Taft, at Cleveland, Ohio.

Let nothing distract us; let no discordant voice intrude to embarrass us in the solution of the mighty problems which involve such vast consequences to ourselves and posterity. Let us remember that God bestows supreme opportunity upon no nation which is not ready to respond to the call of supreme duty.—President McKinley at St. Louis, Oct. 14, 1898.

It is probable that the stringency which reached its height on that dark day of October 24 might in part have been alleviated had we had a currency which could automatically enlarge itself to meet the tremendous demand of a day or a week or a month, while public confidence was being restored.—Hon. Wm. H. Taft, to Merchants and Manufacturers' Association, Boston, Mass.

The right of railway corporations to a fair and profitable return upon their investments and to a reasonable freedom in their regulations must be recognized; but it seems only just that, so far as its constitutional authority will permit, Congress should protect the people at large in their interstate traffic against acts of injustice which the State governments are powerless to prevent.—President Arthur.

But the most gratifying feature of this picture of banking and financial conditions in our country is the fact that deposits in savings banks—those institutions for the safe-keeping of the earnings of workingmen and widows and orphans and children of the country—have increased from \$550,000,000 in 1870 to \$3,500,000,000, in 1908. What say you business men, of the future of a country whose workingman and working woman and children have three and a half billion dollars laid aside for a "rainy day."—O. P. Austin.

## Number and Value of Farm Animals, 1890 to 1908.

Note the rapid decline in value of farm animals during the period of Democratic rule and low tariff—1893-1897. The value of farm animals fell from \$2,418,766,028 on January 1, 1890, to \$1,655,414,612 on January 1, 1897; and had advanced to \$1,331,230,000 on January 1, 1908.

## Number and value of farm animals from 1890 to 1908.

[From the annual reports of the Department of Agriculture.]

January 1—	Horses.		Mules.		Milch cows.		Oxen and other cattle.		Sheep.		Swine.		Total value farm animals.
	Number.	Value.	Number.	Value.	Number.	Value.	Number.	Value.	Number.	Value.	Number.	Value.	
1890	14,213,837	\$978,516,562	2,331,027	\$182,394,099	15,952,883	\$353,152,133	36,849,024	\$560,625,137	44,336,072	\$100,659,761	51,602,780	\$243,418,336	\$2,418,766,028
1891	14,056,750	941,823,222	2,296,532	178,847,370	16,019,591	346,397,900	36,875,648	544,127,908	43,421,136	108,397,447	50,625,106	210,193,923	2,329,787,770
1892	15,498,140	1,007,538,636	2,314,699	174,882,070	16,416,351	351,378,132	37,651,239	570,749,155	44,938,365	116,121,290	52,368,019	241,031,415	2,461,755,698
1893	16,206,802	992,225,185	2,331,128	164,763,751	16,424,087	357,299,785	35,954,196	547,882,204	47,273,553	125,909,264	46,094,807	295,426,492	2,483,506,681
1894	16,081,139	769,224,799	2,352,231	146,232,811	16,487,400	358,998,661	36,608,168	536,789,747	45,048,017	89,186,110	45,206,498	270,384,626	2,170,816,754
1895	15,893,318	576,730,580	2,333,108	110,927,834	16,504,629	362,601,729	34,364,216	482,999,129	42,294,064	66,685,767	44,165,716	219,501,267	1,819,446,306
1896	15,124,057	500,140,186	2,278,946	103,204,457	16,137,586	363,965,545	32,085,409	508,928,416	38,298,783	65,167,735	42,842,759	186,529,745	1,727,926,084
1897	14,364,667	452,649,396	2,215,651	92,302,090	15,941,727	369,239,993	30,508,408	507,929,421	36,818,643	67,020,942	40,600,276	166,272,770	1,655,414,612
1898	13,969,911	478,362,407	2,190,282	96,109,516	15,840,886	434,813,826	29,264,197	612,296,634	37,656,960	92,721,133	39,759,993	174,351,409	1,888,654,925
1899	13,665,207	511,074,813	2,131,213	95,963,261	15,990,115	474,233,925	27,994,225	637,931,135	39,114,453	107,697,530	38,651,631	170,109,743	1,937,010,407
1900	13,537,524	603,969,442	2,086,027	111,717,092	16,232,360	514,812,106	27,610,074	689,486,260	41,883,065	122,665,913	37,079,356	185,472,321	2,228,123,134
1901	16,744,723	885,200,168	2,861,458	183,232,209	16,833,657	505,033,077	45,500,213	906,614,003	59,756,718	178,072,476	56,982,142	353,012,143	3,011,254,076
1902	16,531,224	968,935,178	2,757,017	186,411,704	16,696,802	488,130,324	44,727,797	839,126,073	62,039,091	164,446,091	48,698,890	342,120,780	2,989,170,150
1903	16,557,373	1,030,705,959	2,728,088	197,753,327	17,105,227	516,711,914	44,659,206	824,054,902	63,961,876	168,315,750	46,922,624	364,973,688	3,102,515,540
1904	16,736,059	1,136,940,298	2,757,916	217,532,832	17,419,817	508,841,489	43,629,498	712,178,134	51,630,144	183,530,099	47,009,367	289,224,627	2,998,247,479
1905	17,057,702	1,200,310,020	2,888,710	251,840,378	17,572,462	482,272,203	43,669,413	661,571,309	45,170,423	127,331,850	47,320,511	283,254,978	3,006,580,737
1906	18,718,578	1,510,880,906	3,404,061	334,680,520	19,793,866	582,788,592	47,067,656	746,171,709	50,631,619	179,056,144	52,102,847	321,802,571	3,675,389,442
1907	19,746,583	1,846,578,412	3,816,692	428,063,613	20,908,265	645,496,980	51,565,731	881,557,378	53,220,282	204,210,129	51,794,439	417,791,321	4,423,697,853
1908	19,992,000	1,867,530,000	3,869,000	416,939,000	21,194,000	650,057,000	50,073,000	845,938,000	54,631,000	211,736,000	56,081,000	339,030,000	1,331,230,000



# LABOR CONDITIONS UNDER REPUBLICAN AND DEMOCRATIC ADMINISTRATIONS.

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## EMPLOYMENT, HOURS OF LABOR, AND WAGES.

The prosperity of a nation is always evidenced by the condition of its wage-earners. Good wages and steady employment are invariably indicative of sound business conditions and public confidence in those who direct the country's destinies. That the unexampled prosperity which has been manifest since the return of the Republican party to control and the enactment of a protective tariff has continued under the second administration of President Roosevelt is amply demonstrated by the bulletin on wages and hours of labor recently issued by the United States Bureau of Labor.\* To obtain this information, which is published annually, special agents of the bureau were sent to representative establishments in various parts of the country to copy directly from the pay rolls the figures showing the number of persons employed, the average wages paid, and the hours worked per week. *This investigation was conducted with the greatest care by experts specially trained for this class of work, and the results shown are believed to be trustworthy in every respect.*

The following tables, which have been compiled from this and preceding numbers of the bulletin, show in actual and relative figures the number of employees, the average number of hours worked per week, and the average wages per hour in 15 leading occupations during each of the years 1890 to 1907. The number of establishments furnishing the data is given at the head of each table.

To facilitate the study of the figures the Bureau of Labor computed a relative number to accompany each actual number. These relative numbers serve a double purpose—first, they present to the mind of the reader more clearly than the actual or concrete numbers the measure of difference between the data for a series of years, and, second, by their use combinations are made possible that cannot be made with concrete numbers. In making comparisons, therefore, between data for individual years the relative, rather than the actual, numbers should be relied upon. While all comparisons might have been made with 1890, or any other year, it was thought best to take as a basis for comparison, or 100.0, not any one year, but the average during the ten years from 1890 to 1899, owing to the fact that the conditions in any one year might be abnormal. On the first line, therefore, of the table given below (for blacksmiths) appears the number 576, which was the average number employed during the ten years from 1890 to 1899 in the 166 establishments investigated. In the second column is the relative number 100.0, indicating that the number 576 is taken as the basis, or 100.0. In the second line, second column, is given the relative number 99.5, indicating that in 1890 the number of employees was 99.5 per cent of the average number employed during the ten-year period from 1890 to 1899. The other relative figures may be used in a similar manner. In computing the relative number of employees for different years account was taken of the increase or decrease in the number of establishments considered.

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\* The bi-monthly bulletins of the Bureau of Labor are published for free distribution and can be obtained on application to the bureau.

*Blacksmiths.*

[Data from 166 establishments 1890-1903; 192, 1904; 179, 1905; 188, 1906; 197, 1907.]

Year.	Number of employees.		Average hours per week.		Average wages per hour.	
	Actual.	Relative.	Actual.	Relative.	Actual.	Relative.
Average 1890-99-----	576	100.0	59.09	100.0	\$0.2639	100.0
1890-----	573	99.5	59.41	100.5	.2677	101.4
1891-----	579	100.5	59.20	100.2	.2681	101.6
1892-----	583	101.2	59.37	100.5	.2672	101.2
1893-----	586	101.7	59.03	99.9	.2677	101.4
1894-----	510	88.4	58.68	99.3	.2611	99.1
1895-----	541	93.9	59.18	100.2	.2602	98.6
1896-----	548	95.1	58.93	99.7	.2643	100.1
1897-----	541	93.9	58.96	99.8	.2604	98.6
1898-----	635	110.2	59.20	100.2	.2587	98.0
1899-----	665	115.5	58.98	99.8	.2637	99.9
1900-----	695	120.7	58.87	99.6	.2685	101.7
1901-----	753	130.7	57.78	97.8	.2757	104.4
1902-----	802	139.2	57.17	96.8	.2844	107.7
1903-----	818	142.5	56.65	95.7	.2962	111.8
1904-----	776	130.6	56.40	95.5	.2979	110.2
1905-----	751	137.6	56.77	98.0	.3030	111.7
1906-----	861	158.4	56.80	98.1	.3130	114.7
1907-----	804	147.4	56.52	97.8	.3200	118.0

*Boilermakers.*

[Data from 97 establishments 1890-1903; 96, 1904; 91, 1905; 93, 1906; 94, 1907.]

Average 1890-99-----	1,263	100.0	58.55	100.0	\$0.2609	100.0
1890-----	1,336	105.8	59.25	101.2	.2594	99.4
1891-----	1,291	102.2	59.23	101.2	.2577	98.8
1892-----	1,327	105.1	58.88	100.6	.2585	99.1
1893-----	1,280	101.3	58.39	99.8	.2583	99.0
1894-----	1,105	87.5	58.83	99.9	.2614	100.2
1895-----	1,136	89.9	58.47	99.9	.2629	100.8
1896-----	1,236	97.9	58.02	99.1	.2626	100.7
1897-----	1,197	94.8	58.11	99.3	.2607	99.9
1898-----	1,354	107.2	58.30	99.6	.2617	100.3
1899-----	1,369	108.4	58.06	99.2	.2654	101.7
1900-----	1,477	116.9	57.36	98.0	.2773	106.3
1901-----	1,585	125.5	56.82	97.1	.2794	107.1
1902-----	1,624	128.6	56.33	96.3	.2800	107.3
1903-----	1,700	134.6	56.24	96.1	.2848	109.2
1904-----	1,289	121.3	55.98	95.0	.2942	113.2
1905-----	1,182	120.9	55.92	94.8	.3037	115.4
1906-----	1,227	130.4	56.09	95.2	.3135	118.2
1907-----	1,241	130.3	55.73	94.7	.3290	123.0

*Bricklayers.*

[Data from 212 establishments 1890-1903; 229, 1904; 209, 1905; 215, 1906; 222, 1907.]

Average 1890-99-----	4,355	100.0	51.57	100.0	\$0.4387	100.0
1890-----	4,422	101.5	53.22	103.2	.4316	98.4
1891-----	4,892	112.3	52.80	102.4	.4365	99.5
1892-----	4,967	114.1	52.19	101.2	.4431	101.0
1893-----	4,585	104.1	51.63	100.1	.4436	101.1
1894-----	4,055	93.1	51.96	100.8	.4325	98.6
1895-----	3,841	88.2	51.56	100.0	.4367	99.5
1896-----	3,998	91.8	51.50	99.9	.4337	98.9
1897-----	4,010	92.1	51.11	99.1	.4361	99.4
1898-----	4,150	95.3	50.47	97.9	.4331	98.7
1899-----	4,675	107.3	49.24	95.5	.4597	104.8
1900-----	4,576	105.1	49.32	95.6	.4672	106.5
1901-----	5,142	118.1	48.62	94.3	.4912	112.0
1902-----	4,781	109.8	48.27	93.6	.5313	118.0
1903-----	5,064	116.3	47.83	92.7	.5471	124.7
1904-----	4,644	111.2	47.32	92.1	.5586	127.3
1905-----	4,305	111.8	46.79	92.0	.5917	132.1
1906-----	5,104	124.0	46.82	91.9	.6205	138.6
1907-----	4,819	115.7	46.62	91.8	.6313	140.9

This brings me to the question of arbitration. It goes without saying that where an adjustment cannot be reached by negotiation, it is far better for the community at large that the differences be settled by submission to an impartial tribunal and agreement to abide its judgment than to resort to a trial of resistance and endurance by lockouts and strikes.—Hon. Wm. H. Taft, at Cooper Union, New York City.

*Carpenters.*

[Data from 227 establishments 1890-1903; 242, 1904; 213, 1905; 216, 1906; 225, 1907.]

Year.	Number of employees,		Average hours per week.		Average wages per hour.	
	Actual.	Relative.	Actual.	Relative.	Actual.	Relative.
Average 1890-99.....	5,655	100.0	54.85	100.0	\$0.2751	100.0
1890.....	5,923	104.8	55.94	102.0	.2713	98.2
1891.....	6,231	110.2	55.56	101.3	.2730	99.2
1892.....	6,461	114.3	55.12	100.5	.2825	102.7
1893.....	5,528	97.8	55.22	100.7	.2744	99.7
1894.....	5,049	89.3	55.27	100.7	.2693	97.9
1895.....	5,021	88.8	55.05	100.3	.2692	97.9
1896.....	5,413	95.7	54.67	99.7	.2740	99.6
1897.....	5,403	95.4	54.20	95.4	.2748	100.0
1898.....	5,402	95.5	54.02	98.5	.2790	101.4
1899.....	6,120	108.2	53.42	97.4	.2839	103.2
1900.....	6,336	112.0	51.86	94.5	.3049	110.8
1901.....	6,660	117.8	50.74	92.5	.3190	115.9
1902.....	6,906	122.1	49.70	90.6	.3403	123.7
1903.....	6,580	116.4	49.41	90.2	.3594	130.6
1904.....	6,748	108.6	48.99	89.9	.3633	129.9
1905.....	6,652	108.3	48.64	90.1	.3773	133.6
1906.....	7,168	121.6	48.26	89.7	.4017	141.6
1907.....	7,386	124.7	47.87	88.9	.4338	151.9

*Compositors.*

[Data for employees from 91 establishments 1890-1903. Data for hours and wages from 91 establishments 1890; 92, 1891, 1892; 93, 1893; 94, 1894; 95, 1895-1903. Data from 135 establishments 1904; 148, 1905; 149, 1906; 151, 1907.]

Year.	Number of employees,		Average hours per week.		Average wages per hour.	
	Actual.	Relative.	Actual.	Relative.	Actual.	Relative.
Average 1890-99.....	1,148	100.0	52.53	100.0	\$0.3939	100.0
1890.....	1,508	131.4	53.15	101.2	.3980	101.0
1891.....	1,530	133.3	52.62	100.2	.3997	101.5
1892.....	1,494	130.1	52.58	100.1	.4013	101.9
1893.....	1,327	115.6	53.13	101.1	.3933	99.8
1894.....	1,055	91.9	52.75	100.4	.3796	96.4
1895.....	915	79.7	52.73	100.4	.3827	97.2
1896.....	883	76.9	52.58	100.1	.3897	98.9
1897.....	928	80.8	52.47	99.9	.3925	99.6
1898.....	898	78.2	52.06	99.1	.3934	99.9
1899.....	944	82.2	51.26	97.6	.4086	103.7
1900.....	969	84.4	51.09	97.3	.4071	103.4
1901.....	959	83.5	50.37	95.9	.4252	107.9
1902.....	954	83.1	49.96	95.1	.4352	110.5
1903.....	1,009	87.9	49.81	94.8	.4467	113.4
1904.....	1,795	156.4	47.23	93.9	.4916	124.8
1905.....	2,193	190.7	47.42	93.4	.5061	128.3
1906.....	2,205	192.1	47.25	92.8	.5120	129.9
1907.....	2,357	205.4	46.92	92.3	.5296	134.4

*Hod carriers.*

[Data from 250 establishments 1890-1903; 262, 1904; 255, 1905; 269, 1906; 311, 1907.]

Year.	Number of employees,		Average hours per week.		Average wages per hour.	
	Actual.	Relative.	Actual.	Relative.	Actual.	Relative.
Average 1890-99.....	4,242	100.0	51.60	100.0	\$0.2329	100.0
1890.....	4,327	102.0	52.78	102.3	.2259	97.0
1891.....	4,644	109.5	52.54	101.8	.2248	96.8
1892.....	4,894	115.4	51.81	100.4	.2314	99.3
1893.....	4,455	105.0	51.64	100.1	.2325	99.8
1894.....	3,698	87.2	52.03	100.8	.2303	98.9
1895.....	3,844	90.6	51.53	99.9	.2320	99.6
1896.....	3,959	93.3	51.45	99.7	.2335	100.3
1897.....	3,996	94.2	51.42	99.7	.2322	99.7
1898.....	3,920	92.4	51.01	98.9	.2343	100.5
1899.....	4,685	110.4	49.79	96.5	.2518	108.1
1900.....	4,417	104.1	49.79	96.5	.2498	107.3
1901.....	5,037	120.2	49.35	95.6	.2546	109.3
1902.....	5,062	119.3	48.56	94.1	.2676	114.9
1903.....	5,242	123.5	47.98	93.0	.2863	122.9
1904.....	4,814	113.5	47.47	92.8	.2866	123.1
1905.....	4,648	109.6	47.11	93.0	.2933	125.9
1906.....	6,292	148.3	47.02	92.9	.3192	136.6
1907.....	6,096	143.7	46.92	92.7	.3202	137.1

An injunction suit does not differ in the slightest degree from a suit brought after the event, so far as the function of the court is concerned in declaring the law, except that the court declares the law in respect of anticipated fact rather than in respect of those which have happened. The court has no authority to make law.—Hon Wm. H. Taft, a Cooper Union, New York City.



*Iron molders.*

[Data from 183 establishments 1890-1903; 179, 1904; 169, 1905; 168, 1906; 171, 1907.]

Year.	Number of employees.		Average hours per week.		Average wages per hour.	
	Actual.	Relative.	Actual.	Relative.	Actual.	Relative.
Average 1890-99-----	2,974	100.0	59.31	100.0	\$0.2526	100.0
1890-----	2,962	99.6	59.51	100.4	.2540	100.6
1891-----	2,952	99.3	59.60	100.5	.2565	101.5
1892-----	3,032	102.0	59.49	100.3	.2548	100.9
1893-----	3,181	107.0	59.18	99.8	.2557	101.2
1894-----	2,519	84.7	59.10	99.7	.2472	97.9
1895-----	2,781	93.5	59.29	100.0	.2476	98.0
1896-----	2,519	97.8	59.24	99.9	.2507	99.2
1897-----	2,781	91.9	59.17	99.8	.2525	100.0
1898-----	3,234	108.7	59.34	100.0	.2503	99.1
1899-----	3,439	115.6	59.14	99.7	.2568	101.7
1900-----	3,790	127.4	59.07	99.6	.2694	106.7
1901-----	3,793	127.5	58.47	98.6	.2739	108.4
1902-----	3,968	133.4	57.65	97.2	.2894	114.6
1903-----	4,218	141.8	56.80	95.8	.3036	120.2
1904-----	3,408	116.2	56.13	95.1	.3072	119.5
1905-----	3,637	124.9	56.09	95.1	.3078	119.3
1906-----	4,094	147.6	56.08	95.1	.3217	123.3
1907-----	4,354	154.4	55.74	94.8	.3317	127.0

*Laborers.*

[Data from 146 establishments 1890-1903; 172, 1904; 192, 1905; 193, 1906; 190, 1907.]

Year.	Number of employees.		Average hours per week.		Average wages per hour.	
	Actual.	Relative.	Actual.	Relative.	Actual.	Relative.
Average 1890-99-----	4,460	100.0	58.84	100.0	\$0.1467	100.0
1890-----	5,118	114.8	59.02	100.3	.1507	102.7
1891-----	4,861	109.0	59.02	100.3	.1511	103.0
1892-----	4,812	107.9	59.02	100.3	.1519	103.5
1893-----	4,516	101.3	58.80	100.0	.1493	101.8
1894-----	4,128	92.6	58.76	99.9	.1419	96.7
1895-----	3,796	85.1	58.88	100.1	.1440	98.2
1896-----	4,018	90.1	58.92	100.1	.1415	96.5
1897-----	4,000	89.7	58.80	99.9	.1445	98.5
1898-----	4,524	101.4	58.44	99.3	.1466	99.9
1899-----	4,822	108.1	58.71	99.8	.1457	99.3
1900-----	5,275	118.3	58.27	99.0	.1461	99.6
1901-----	4,648	104.2	57.98	98.5	.1585	108.0
1902-----	5,317	119.2	56.66	96.3	.1644	112.0
1903-----	5,082	113.9	56.13	95.8	.1676	114.2
1904-----	5,042	96.8	55.38	95.8	.1781	114.3
1905-----	7,017	109.1	54.77	95.8	.1867	114.4
1906-----	7,187	130.1	54.85	95.4	.1956	122.5
1907-----	7,366	137.8	54.56	94.9	.2037	127.2

*Machinists.*

[Data from 218 establishments 1890-1903; 228, 1904; 206, 1905; 205, 1906; 209, 1907.]

Year.	Number of employees.		Average hours per week.		Average wages per hour.	
	Actual.	Relative.	Actual.	Relative.	Actual.	Relative.
Average 1890-99-----	5,414	100.0	59.12	100.0	\$0.2404	100.0
1890-----	5,302	97.9	59.52	100.7	.2413	100.5
1891-----	5,414	100.0	59.47	100.6	.2435	101.2
1892-----	5,409	99.9	59.24	100.2	.2459	102.3
1893-----	5,677	104.9	59.03	99.8	.2450	101.9
1894-----	4,339	80.1	59.07	99.9	.2347	97.5
1895-----	4,917	90.8	59.08	99.9	.2347	97.5
1896-----	5,176	95.6	59.01	99.8	.2397	99.6
1897-----	5,059	93.4	58.96	99.7	.2397	99.7
1898-----	6,058	111.9	59.11	100.0	.2377	99.0
1899-----	6,793	125.5	58.72	99.3	.2417	100.8
1900-----	7,088	130.9	58.56	99.1	.2485	103.6
1901-----	7,646	141.2	57.37	97.0	.2555	106.8
1902-----	8,221	151.8	56.56	95.7	.2646	110.3
1903-----	8,576	158.5	56.12	94.9	.2709	112.9
1904-----	7,769	135.7	55.57	94.0	.2726	112.8
1905-----	7,539	151.0	56.12	94.5	.2795	113.1
1906-----	7,849	169.0	55.98	94.4	.2922	116.4
1907-----	8,268	179.4	55.40	93.7	.3051	120.4

A higher standard for our judiciary; fewer laws and better enforcement of them; a wider public appreciation of the essentials of democracy and of the principles upon which this government was founded, will help us to the solution of the problems before us, and as the very basis and foundation of our national life, we must conserve those forces which insure the efficiency of our schools and safe-guard the purity of our homes.—Hon. George B. Cortelyou, at Urbana, Illinois, June 7, 1905.

*Painters.*

[Data from 203 establishments 1890-1903; 208, 1904; 206, 1905; 210, 1906; 211, 1907.]

Year.	Number of employees.		Average hours per week.		Average wages per hour.	
	Actual.	Relative.	Actual.	Relative.	Actual.	Relative.
Average 1890-99-----	3,676	100.0	53.82	100.0	\$0.2763	100.0
1890-----	3,541	96.3	55.23	102.6	.2680	97.0
1891-----	3,708	100.9	54.86	101.9	.2712	98.2
1892-----	3,877	105.5	54.43	101.1	.2747	99.4
1893-----	3,666	99.7	53.83	100.1	.2795	101.2
1894-----	3,450	93.9	54.01	100.4	.2737	99.1
1895-----	3,460	94.1	53.87	100.1	.2720	98.4
1896-----	3,648	99.2	53.61	99.6	.2742	99.2
1897-----	3,737	101.7	53.28	99.0	.2778	100.5
1898-----	3,723	101.3	52.79	98.1	.2827	102.3
1899-----	3,953	107.5	52.27	97.1	.2892	104.7
1900-----	4,089	111.2	50.91	94.6	.3054	110.5
1901-----	4,284	116.5	49.85	92.6	.3170	114.7
1902-----	4,254	115.7	49.27	91.5	.3303	119.5
1903-----	4,021	109.4	48.89	90.8	.3450	124.9
1904-----	4,124	109.9	48.43	90.4	.3543	127.9
1905-----	4,304	111.5	48.01	90.5	.3642	129.5
1906-----	4,562	116.2	47.64	89.7	.3842	136.8
1907-----	4,497	114.4	47.45	89.3	.3967	142.0

*Plasterers.*

[Data from 146 establishments 1890-1903; 152, 1904; 164, 1905; 166, 1906; 166, 1907.]

Year.	Number of employees.		Average hours per week.		Average wages per hour.	
	Actual.	Relative.	Actual.	Relative.	Actual.	Relative.
Average 1890-99-----	1,681	100.0	51.83	100.0	\$0.3969	100.0
1890-----	1,684	100.2	53.50	103.2	.3618	98.4
1891-----	1,782	106.0	52.67	101.6	.3966	99.2
1892-----	1,557	110.5	52.09	100.5	.4100	102.6
1893-----	1,721	102.4	51.97	100.3	.4019	100.5
1894-----	1,547	92.0	52.01	100.3	.3915	97.9
1895-----	1,547	92.0	51.63	99.6	.3924	98.1
1896-----	1,642	97.7	51.50	99.4	.3985	99.7
1897-----	1,587	94.4	51.96	100.3	.3903	97.6
1898-----	1,630	97.0	51.11	98.6	.3974	99.4
1899-----	1,817	108.1	49.82	96.1	.4254	106.4
1900-----	1,875	111.5	48.75	94.1	.4378	109.5
1901-----	1,769	105.2	48.27	93.1	.4570	114.3
1902-----	2,061	120.8	47.29	91.2	.4946	123.7
1903-----	1,895	112.7	47.04	90.8	.5268	131.8
1904-----	1,793	110.5	46.64	90.5	.5398	133.8
1905-----	2,069	123.8	46.56	90.1	.5508	139.6
1906-----	2,286	133.1	46.56	90.0	.5777	148.7
1907-----	2,414	141.1	46.30	89.6	.6177	153.3

*Plumbers.*

[Data from 221 establishments 1890-1903; 232, 1904; 207, 1905; 215, 1906; 219, 1907.]

Year.	Number of employees.		Average hours per week.		Average wages per hour.	
	Actual.	Relative.	Actual.	Relative.	Actual.	Relative.
Average 1890-99-----	1,380	100.0	53.23	100.0	\$0.3550	100.0
1890-----	1,368	99.1	54.33	102.1	.3464	97.4
1891-----	1,384	100.3	54.09	101.6	.3488	98.1
1892-----	1,427	103.4	53.86	101.2	.3511	98.7
1893-----	1,377	99.8	53.36	100.2	.3552	99.9
1894-----	1,303	94.4	53.28	100.1	.3515	98.8
1895-----	1,301	94.3	53.08	99.7	.3546	99.7
1896-----	1,365	98.9	52.86	99.3	.3505	100.4
1897-----	1,367	99.1	52.67	98.9	.3598	101.2
1898-----	1,443	104.6	52.53	98.7	.3638	102.3
1899-----	1,465	106.2	52.28	98.2	.3684	103.6
1900-----	1,523	110.4	51.40	96.6	.3811	107.1
1901-----	1,633	118.3	50.77	95.4	.3935	110.6
1902-----	1,627	117.9	49.52	93.0	.4122	117.6
1903-----	1,595	115.7	48.97	91.9	.4371	124.5
1904-----	1,771	117.2	47.98	91.3	.4679	128.3
1905-----	1,813	124.5	47.32	91.1	.4912	131.2
1906-----	2,216	139.8	46.54	90.2	.5392	141.9
1907-----	2,265	136.7	46.51	90.0	.5582	148.1

No man is warranted in feeling pride in the deeds of the Army and Navy of the past if he does not back up the Army and the Navy of the present.—President Roosevelt at Sherman statue unveiling, Oct. 15, 1903.

Protection has already made us the richest and strongest nation on earth, and under a properly restricted immigration will bring to us much that is most valuable in the population of other lands.—Senator Hoar, in the American Economist.

*Stone cutters, granite.*

[Data from 72 establishments 1890-1903; 83, 1904; 87, 1905; 89, 1906; 99, 1907.]

Year.	Number of employees.		Average hours per week.		Average wages per hour.	
	Actual.	Relative.	Actual.	Relative.	Actual.	Relative.
Average 1890-99-----	775	100.0	52.71	100.0	\$0.3628	100.0
1890-----	938	121.0	52.73	100.0	.3730	102.8
1891-----	880	113.5	52.54	99.7	.3803	104.8
1892-----	882	113.8	52.70	100.0	.3750	103.4
1893-----	778	100.4	53.12	100.8	.3618	99.7
1894-----	705	91.0	52.84	100.2	.3573	99.0
1895-----	685	88.4	52.67	99.9	.3511	96.5
1896-----	709	91.5	52.77	100.1	.3590	99.0
1897-----	678	87.5	52.99	100.5	.3524	97.4
1898-----	698	90.1	53.04	100.6	.3467	95.4
1899-----	798	103.0	51.70	98.1	.3594	99.4
1900-----	901	116.3	50.20	95.2	.3923	108.1
1901-----	852	109.9	49.96	94.8	.3868	106.1
1902-----	856	110.5	49.67	94.2	.3938	108.1
1903-----	900	116.1	48.67	92.3	.4225	116.5
1904-----	925	109.8	48.71	92.2	.4191	119.4
1905-----	919	96.3	48.65	92.6	.4052	116.7
1906-----	1,124	107.1	47.52	91.3	.4329	121.7
1907-----	1,158	107.5	47.97	91.1	.4438	126.5

*Stone masons.*

[Data from 115 establishments 1890-1903; 110, 1904; 102, 1905; 100, 1906; 98, 1907.]

Average 1890-99-----	886	100.0	53.83	100.0	\$0.3617	100.0
1890-----	947	106.9	51.54	101.3	.3722	102.9
1891-----	1,021	115.2	54.51	101.3	.3732	103.2
1892-----	984	111.1	54.49	101.2	.3673	101.5
1893-----	898	101.4	54.17	100.6	.3644	100.7
1894-----	799	90.2	54.34	100.9	.3440	95.1
1895-----	798	90.1	54.05	100.4	.385	96.4
1896-----	828	93.5	53.97	100.3	.3547	98.1
1897-----	796	89.8	53.05	98.6	.3328	100.3
1898-----	932	105.2	52.43	97.4	.3581	99.0
1899-----	860	97.1	52.73	98.0	.3719	102.8
1900-----	935	105.5	51.89	96.4	.3788	104.7
1901-----	927	104.6	51.23	95.2	.4007	110.8
1902-----	954	107.7	50.19	93.2	.4901	119.0
1903-----	1,073	121.1	49.54	92.0	.4486	126.6
1904-----	965	117.7	49.37	91.4	.4683	129.4
1905-----	868	116.8	47.97	91.3	.4071	124.5
1906-----	819	114.3	47.81	91.2	.5158	135.2
1907-----	735	100.9	47.57	90.6	.5256	139.7

*Structural iron workers.*

[Data for employees from 19 establishments 1890-1903. Data for hours and wages from 19 establishments 1890-1892; 20, 1893-1903. Data from 37 establishments 1904; 59, 1905; 62, 1906; 62, 1907.]

Average 1890-99-----	561	100.0	55.14	100.0	\$0.2643	100.0
1890-----	436	77.7	56.73	102.9	.2475	93.6
1891-----	551	98.2	56.15	101.8	.2591	98.0
1892-----	602	107.3	54.77	99.3	.2658	100.6
1893-----	551	98.8	55.18	100.1	.2666	100.9
1894-----	416	74.2	56.20	101.9	.2470	93.5
1895-----	446	79.5	55.22	100.1	.2581	97.7
1896-----	648	115.5	54.32	98.5	.2576	97.5
1897-----	628	111.9	53.47	97.0	.2751	104.1
1898-----	685	122.1	53.90	97.8	.2784	105.3
1899-----	618	115.5	55.44	100.5	.2876	108.8
1900-----	798	142.2	51.03	98.0	.3183	120.4
1901-----	1,097	195.5	53.30	96.7	.3359	138.4
1902-----	1,280	228.2	50.52	91.6	.4121	155.9
1903-----	1,159	206.6	50.85	92.2	.4117	159.8
1904-----	1,794	205.5	50.38	90.6	.4289	171.4
1905-----	1,731	194.3	49.61	90.1	.4402	171.8
1906-----	2,105	234.8	49.67	90.9	.4730	180.4
1907-----	1,914	216.5	49.35	91.3	.4767	190.3

The following tables show the percentage of increase or decrease in the relative number of employees, the relative hours of work per week, and the relative wages per hour in the 15 leading occupations in 1907, compared with each preceding year from 1890 to 1906:



*Per cent of increase or decrease in the relative number of employees in 15 leading occupations in 1907 compared with each preceding year.*

Occupations.	Per cent of increase (+) or decrease (—) in 1907 compared with—																
	1890	1891	1892	1893	1894	1895	1896	1897	1898	1899	1900	1901	1902	1903	1904	1905	1906
Blacksmiths.....	+ 48.1	+ 46.7	+ 45.7	+ 45.0	+ 66.7	+ 57.0	+ 55.0	+ 57.0	+ 33.8	+ 27.6	+ 22.1	+ 12.9	+ 5.9	+ 3.4	+ 12.9	+ 7.1	+ 6.9
Boilermakers.....	+ 23.2	+ 27.6	+ 24.9	+ 28.6	+ 48.9	+ 45.1	+ 33.1	+ 37.8	+ 21.5	+ 20.2	+ 11.5	+ 3.8	+ 3.2	+ 3.2	+ 7.4	+ 7.8	+ 0.1
Bricklayers.....	+ 14.0	+ 3.0	+ 1.4	+ 11.1	+ 24.3	+ 31.2	+ 26.0	+ 25.6	+ 21.4	+ 7.8	+ 10.1	+ 2.0	+ 5.3	+ 0.5	+ 4.0	+ 3.5	+ 6.6
Carpenters.....	+ 19.0	+ 13.2	+ 9.1	+ 27.5	+ 39.5	+ 44.3	+ 30.3	+ 30.7	+ 30.6	+ 15.2	+ 11.3	+ 5.9	+ 2.1	+ 7.1	+ 14.8	+ 15.1	+ 2.5
Compositors.....	+ 12.6	+ 13.9	+ 11.8	+ 0.7	+ 24.9	+ 41.0	+ 49.3	+ 42.1	+ 46.8	+ 39.7	+ 36.0	+ 37.5	+ 38.1	+ 30.6	+ 24.2	+ 11.0	+ 5.6
Hod carriers.....	+ 28.5	+ 10.5	+ 13.6	+ 21.9	+ 50.3	+ 44.7	+ 40.5	+ 33.2	+ 41.9	+ 18.8	+ 25.9	+ 9.1	+ 9.9	+ 6.2	+ 5.5	+ 0.2	+ 10.4
Iron molders.....	+ 55.0	+ 55.5	+ 51.4	+ 44.3	+ 82.3	+ 65.1	+ 57.9	+ 68.0	+ 42.0	+ 33.6	+ 21.1	+ 21.9	+ 15.7	+ 8.9	+ 32.9	+ 14.5	+ 46.1
Laborers.....	+ 20.0	+ 26.4	+ 27.7	+ 36.0	+ 48.8	+ 51.2	+ 52.9	+ 53.6	+ 35.9	+ 27.5	+ 16.5	+ 32.2	+ 15.6	+ 21.0	+ 42.4	+ 26.3	+ 5.9
Machinists.....	+ 83.2	+ 79.4	+ 79.6	+ 71.0	+ 12.4	+ 97.6	+ 87.7	+ 92.1	+ 60.3	+ 42.2	+ 37.4	+ 27.1	+ 18.2	+ 13.2	+ 32.2	+ 18.8	+ 6.2
Painters.....	+ 18.8	+ 13.4	+ 8.4	+ 14.7	+ 21.8	+ 21.6	+ 15.3	+ 12.5	+ 12.9	+ 6.4	+ 2.9	+ 1.8	+ 1.1	+ 4.6	+ 4.1	+ 2.6	+ 1.5
Plasterers.....	+ 40.8	+ 33.1	+ 18.6	+ 37.8	+ 53.4	+ 53.4	+ 34.2	+ 49.5	+ 45.5	+ 30.5	+ 26.6	+ 33.2	+ 16.8	+ 25.2	+ 27.7	+ 14.0	+ 6.1
Plumbers.....	+ 37.9	+ 36.3	+ 32.2	+ 37.0	+ 44.8	+ 45.0	+ 38.2	+ 37.9	+ 30.7	+ 28.7	+ 23.8	+ 15.6	+ 15.8	+ 18.2	+ 16.6	+ 9.8	+ 2.2
Stone cutters.....	+ 11.2	+ 5.3	+ 7.1	+ 37.0	+ 18.1	+ 21.6	+ 16.1	+ 22.9	+ 19.3	+ 4.4	+ 7.6	+ 2.2	+ 2.7	+ 7.4	+ 2.1	+ 11.6	+ 0.4
Stone masons.....	+ 5.6	+ 12.4	+ 9.2	+ 0.5	+ 11.9	+ 12.0	+ 7.8	+ 12.4	+ 4.1	+ 3.9	+ 4.4	+ 3.5	+ 6.3	+ 16.7	+ 14.3	+ 13.6	+ 11.7
Structural iron workers.....	+ 178.6	+ 120.5	+ 101.8	+ 119.1	+ 191.8	+ 172.3	+ 87.4	+ 93.5	+ 77.2	+ 87.4	+ 52.3	+ 10.7	+ 5.1	+ 4.5	+ 5.4	+ 11.4	+ 7.8







Explanation.—The figures in these tables give under each year the per cent of increase or decrease (indicated by + or —) in the number of persons employed, the hours worked per week, and the wages paid per hour, which the relative figures for 1907 show as compared with those for the year specified. For example, under the year 1896 (the last year of Cleveland's administration) opposite carpenters there appears +30.3 in the table showing the per cent of increase or decrease in the number of employees,—10.8 in the one giving the same facts with regard to hours of work per week, and +52.5 in that relating to wages per hour. This means that the number of carpenters employed in the establishments covered by the figures was 30.3 per cent greater in 1907 than in 1896, that their weekly hours of work had decreased 10.8 per cent, and that they were paid 52.5 per cent more per hour in wages. Similar results are shown for other occupations.

These figures show that during the administrations of Presidents McKinley and Roosevelt there were more persons employed in industrial establishments and that fewer hours were worked and higher wages were paid than during the period of Democratic rule.

Taking up each occupation separately for discussion, we find that there were 55 per cent more blacksmiths employed in the establishments considered in 1907 than in 1896, and that the wages per hour of these blacksmiths were 17.9 per cent higher in 1907 than in 1896.

There were 33.1 per cent more boilermakers employed in the establishments considered in 1907 than in 1906, and that the wages hour of these boilermakers were 22.1 per cent higher.

There were 26 per cent more bricklayers employed in the establishments investigated in 1907 than in 1896, and these bricklayers received an average of 42.5 per cent more wages per hour.

There were 30.3 per cent more carpenters in the establishments furnishing data in 1907 than in 1896, and they were paid 52.5 per cent more wages per hour.

Compositors were 49.3 per cent more in number and received an average of 25.5 per cent more hourly wages.

Hod carriers increased 40.5 per cent in number and received 35.5 per cent more wages per hour.

Iron molders increased 57.9 per cent in number and received 28 per cent more wages per hour.

Day laborers increased 52.9 per cent in number and received 31.8 per cent more wages per hour.

Machinists increased 87.7 per cent in number and received 20.9 per cent more wages per hour.

Painters increased 15.3 per cent in number and received 43.1 per cent more wages per hour.

Plasterers increased 34.2 per cent in number and received 53.8 per cent more wages per hour.

Plumbers increased 38.2 per cent in number and received 47.5 per cent more wages per hour.

Stone cutters increased 16.1 per cent in number and received 27.8 per cent more wages per hour.

Stone masons increased 7.8 per cent in number and received 12.4 per cent more wages per hour.

Structural iron workers increased 87.4 per cent in number and received 95.2 per cent more in wages per hour.

If these figures are representative of labor conditions generally for the occupations considered, and there is no reason why they should not be, they show the following interesting facts:

#### Employment.

For every 100 blacksmiths employed in 1896 there were 155 blacksmiths employed in 1907; for every 100 boilermakers employed in 1896 there were 133 employed in 1907; for every 100 bricklayers employed in 1896 there were 126 employed in 1907; for every 100 carpenters employed in 1896 there were 130 employed in 1907; for every 100 compositors employed in 1896 there were 149 employed in 1907; for every 100 hod carriers employed in 1896 there were 140 employed in 1907; for every

100 iron molders employed in 1896 there were 158 employed in 1907; for every 100 day laborers employed in 1896 there were 153 employed in 1907; for every 100 machinists employed in 1896 there were 188 employed in 1907; for every 100 painters employed in 1896 there were 115 employed in 1907; for every 100 plasterers employed in 1896 there were 134 employed in 1907; for every 100 plumbers employed in 1896 there were 138 employed in 1907; for every 100 stone cutters employed in 1896 there were 116 employed in 1907; for every 100 stone masons employed in 1896 there were 108 employed in 1907; for every 100 structural iron workers employed in 1896 there were 187 employed in 1907.

#### Wages.

For every dollar paid to a blacksmith in 1896, \$1.18 were paid in 1907 *for the same amount of labor*; for every dollar paid to a boilermaker in 1896, \$1.22 were paid in 1907; for every dollar paid to a bricklayer in 1896, \$1.42½ were paid in 1907; for every dollar paid to a carpenter in 1896, \$1.52½ were paid in 1907; for every dollar paid to a compositor in 1896, \$1.25½ were paid in 1907; for every dollar paid to a hod carrier in 1896, \$1.35½ were paid in 1907; for every dollar paid to an iron molder in 1896, \$1.28 were paid in 1907; for every dollar paid to a day laborer in 1896, \$1.32 were paid in 1907; for every dollar paid to a machinist in 1896, \$1.21 were paid in 1907; for every dollar paid to a painter in 1896, \$1.43 were paid in 1907; for every dollar paid to plasterer in 1896, \$1.54 were paid in 1907; for every dollar paid to a plumber in 1896, \$1.47½ were paid in 1907; for every dollar paid to a stone cutter in 1896, \$1.28 were paid in 1907; for every dollar paid to a stone mason in 1896, \$1.42 were paid in 1907; for every dollar paid to a structural iron worker in 1896, \$1.95 were paid in 1907.

The 15 occupations for which figures have been shown in detail are among the great representative occupations that are to be found in every section of the country. There are also many occupations that are very important in certain particular sections of the country. Figures for such additional occupations are given in detail in the bulletin of the Bureau of Labor from which the figures here quoted are taken, but the limited space in this book will not permit a reprint of all occupations.

In the bulletin named the figures for the several occupations of each of the industries represented are also combined to form a summary for each industry, thus giving an opportunity to study the figures for each industry as a whole.

**What the capitalist, who is the employer of labor, must face is that the organization of labor—the labor union—is a permanent condition in the industrial world. It has come to stay.—Hon. Wm. H. Taft, at Cooper Union, New York City.**

**Under existing conditions the blindest course that an employer of labor can pursue is to decline to recognize labor unions as the controlling influence in the labor market and to insist upon dealing only with his particular employees.—Hon. Wm. H. Taft, at Cooper Union, New York City.**

**We believe in reciprocity with foreign nations on the terms outlined in President McKinley's last speech, which urged the extension of our foreign markets by reciprocal agreements whenever they could be made without injury to American industry and labor.—President Roosevelt's speech accepting 1904 nomination.**

**Not only must our labor be protected by the tariff, but it should also be protected so far as it is possible from the presence in this country of any laborers brought over by contract, or of those who, coming freely, yet represent a standard of living so depressed that they can undersell our men in the labor market and drag them to a lower level.—President Roosevelt, in message to Congress, Dec. 3, 1901.**

**The farmer of the West has learned and the farmer of the South ought to learn that when the factory is closed he not only loses customers for his products, but also meets additional competitors in his production. The workman, losing his employment in the factory, settles upon a truck farm and becomes a producer of the products he formerly bought from the farmer. The prosperity of the farmer depends upon the prosperity of those who buy his products.—Hon. P. P. Campbell, in Congress, April 1, 1904.**

## Summary by Industries.

The summaries for a few important industries are here reproduced, namely, agricultural implements, bakery products (bread), building trades, cigars, cotton goods, and bar iron and steel. The explanation given of the preceding tables applies to these tables as well.

*Agricultural implements.*

Year.	Employees.		Hours per week.		Wages per hour.	
	Relative Number.	Per cent of increase (+) or decrease (—) in 1907 as compared with year specified.	Relative Number.	Per cent of increase (+) or decrease (—) in 1907 as compared with year specified.	Relative.	Per cent of increase (+) or decrease (—) in 1907 as compared with year specified.
1890..	86.2	+51.4	100.3	— 4.0	97.1	+34.8
1891..	88.2	+48.0	100.3	— 4.0	100.8	+29.9
1892..	95.1	+37.2	100.3	— 4.0	101.6	+28.8
1893..	105.1	+24.2	100.3	— 4.0	102.5	+27.7
1894..	95.8	+36.2	99.2	— 2.9	97.3	+34.5
1895..	98.1	+33.0	100.3	— 4.0	96.4	+35.8
1896..	94.5	+38.1	99.9	— 3.6	102.0	+28.3
1897..	95.3	+36.9	99.0	— 2.7	99.4	+31.7
1898..	120.9	+ 7.9	100.2	— 3.9	101.0	+29.6
1899..	120.6	+ 8.2	100.2	— 3.9	101.8	+28.6
1900..	130.7	— 0.2	100.2	— 3.9	105.8	+23.7
1901..	105.9	+23.2	100.2	— 3.9	107.6	+21.7
1902..	115.8	+12.7	100.2	— 3.9	112.8	+16.0
1903..	124.8	+ 4.6	99.4	— 3.1	117.2	+11.7
1904..	108.5	+20.4	97.3	— 1.0	122.5	+ 6.9
1905..	123.7	+ 5.5	97.1	— 0.8	124.4	+ 5.2
1906..	133.3	— 2.1	96.6	— 0.3	129.3	+ 1.2
1907..	130.5	-----	96.3	-----	130.9	-----

*Bakery products (bread.)*

Year.	Employees.		Hours per week.		Wages per hour.	
	Relative Number.	Per cent of increase (+) or decrease (—) in 1907 as compared with year specified.	Relative Number.	Per cent of increase (+) or decrease (—) in 1907 as compared with year specified.	Relative.	Per cent of increase (+) or decrease (—) in 1907 as compared with year specified.
1890..	93.3	+71.1	100.8	— 9.1	99.3	+29.8
1891..	94.6	+68.7	100.8	— 9.1	99.9	+29.0
1892..	96.1	+66.1	100.9	— 9.2	100.3	+28.5
1893..	96.0	+66.3	100.5	— 8.9	100.2	+28.6
1894..	97.2	+64.2	100.4	— 8.8	98.4	+31.0
1895..	100.2	+59.3	99.9	— 8.3	98.7	+30.6
1896..	102.1	+56.3	99.6	— 8.0	99.6	+29.4
1897..	102.6	+55.6	100.2	— 8.6	99.8	+29.2
1898..	107.9	+47.9	99.1	— 7.6	100.6	+28.1
1899..	109.8	+45.4	97.8	— 6.3	103.1	+25.0
1900..	114.0	+40.0	96.9	— 5.5	106.6	+20.9
1901..	121.0	+31.9	96.3	— 4.9	108.8	+18.5
1902..	130.4	+22.4	95.8	— 4.4	113.9	+13.2
1903..	133.7	+19.4	93.9	— 2.4	118.9	+ 8.4
1904..	142.6	+11.9	93.6	— 2.1	121.1	+ 6.4
1905..	148.1	+ 7.8	92.5	— 1.0	123.5	+ 4.4
1906..	155.6	+ 2.6	91.8	— 0.2	127.4	+ 1.2
1907..	159.6	-----	91.6	-----	128.9	-----

*Building trades.*

Year.	Employees.		Hours per week.		Wages per hour.	
	Relative Number.	Per cent of increase (+) or decrease (—) in 1907 as compared with year specified.	Relative Number.	Per cent of increase (+) or decrease (—) in 1907 as compared with year specified.	Relative.	Per cent of increase (+) or decrease (—) in 1907 as compared with year specified.
1890..	96.5	+42.4	102.5	—11.6	97.0	+49.1
1891..	100.0	+37.4	101.8	—11.0	97.9	+47.7
1892..	106.8	+27.7	100.7	—10.0	99.9	+44.7
1893..	101.7	+35.1	100.5	— 9.9	100.0	+44.6
1894..	90.2	+52.3	100.7	—10.0	97.6	+48.2
1895..	92.4	+48.7	100.3	— 9.7	98.4	+47.0
1896..	99.2	+38.5	99.2	— 8.7	99.9	+44.7
1897..	99.7	+37.8	98.6	— 8.1	101.3	+42.7
1898..	104.1	+32.0	98.1	— 7.6	102.8	+40.7
1899..	109.8	+25.1	97.5	— 7.1	105.3	+37.3
1900..	113.6	+21.0	95.5	— 5.1	109.9	+31.6
1901..	119.8	+14.7	94.4	— 4.0	114.5	+26.3
1902..	126.1	+ 9.0	92.6	— 2.2	121.1	+19.4
1903..	123.2	+11.5	91.8	— 1.3	126.8	+14.0
1904..	122.5	+12.2	91.3	— 0.8	129.7	+11.5
1905..	128.0	+ 7.3	91.2	— 0.7	132.2	+ 9.4
1906..	140.0	— 1.9	90.9	— 0.3	140.2	+ 3.1
1907..	137.4	-----	90.6	-----	144.6	-----

Our opponents, if triumphant, may be trusted to prove false to every principle which, during the last eight years, they have laid down as vital.—From President Roosevelt's speech of acceptance.



*Cigars.*

Year.	Employees.		Hours per week.		Wages per hour.	
	Relative Number.	Per cent of increase (+) or decrease (—) in 1907 as compared with year specified.	Relative Number.	Per cent of increase (+) or decrease (—) in 1907 as compared with year specified.	Relative.	Per cent of increase (+) or decrease (—) in 1907 as compared with year specified.
1890..	76.0	+53.4	100.1	— 0.6	100.3	+32.0
1891..	85.2	+36.9	99.6	— 0.1	100.6	+31.6
1892..	93.3	+29.1	99.2	+ 0.3	99.6	+32.9
1893..	100.5	+16.0	99.7	— 0.2	100.0	+32.4
1894..	97.5	+12.7	99.9	— 0.4	99.0	+33.7
1895..	109.9	+ 6.1	99.8	— 0.3	97.2	+36.2
1896..	95.2	+22.5	100.4	— 0.9	98.6	+34.3
1897..	107.4	+ 8.6	100.0	— 0.5	102.4	+29.3
1898..	107.7	+ 8.3	100.3	— 0.8	101.1	+31.0
1899..	119.9	— 2.8	101.0	— 1.5	101.3	+30.7
1900..	93.9	+24.2	99.8	— 0.3	100.8	+31.3
1901..	106.1	+ 9.9	100.6	— 1.1	112.5	+17.7
1902..	116.0	+ 0.5	100.9	— 1.4	110.0	+20.4
1903..	118.8	— 1.9	101.4	— 1.9	116.9	+13.3
1904..	118.1	— 1.3	100.4	— 0.9	119.0	+11.3
1905..	123.5	— 5.6	100.1	— 0.6	120.9	+ 9.5
1906..	116.6	-----	99.7	— 0.2	131.1	+ 1.0
1907..	116.6	-----	99.5	-----	132.4	-----

*Cotton goods.*

1890..	87.7	+39.5	99.9	— 3.1	102.8	+53.2
1891..	98.3	+24.4	100.7	— 3.9	98.9	+59.3
1892..	95.8	+27.7	101.2	— 4.3	100.3	+57.0
1893..	98.2	+24.5	99.9	— 3.1	103.6	+52.0
1894..	96.1	+27.3	98.6	— 1.8	96.9	+62.5
1895..	94.9	+28.9	100.0	— 3.2	96.9	+62.5
1896..	98.8	+23.8	99.5	— 2.7	104.9	+50.1
1897..	104.6	+16.9	99.4	— 2.6	101.2	+55.6
1898..	112.5	+ 8.7	100.3	— 3.5	97.4	+61.7
1899..	112.1	+ 9.1	100.4	— 3.6	97.3	+61.9
1900..	115.5	+ 5.9	100.2	— 3.4	109.2	+44.2
1901..	109.0	+12.2	100.0	— 3.2	110.4	+42.7
1902..	117.2	+ 4.4	99.2	— 2.4	116.2	+35.5
1903..	107.2	+14.1	99.0	— 2.2	123.2	+27.8
1904..	105.3	+16.1	99.1	— 2.3	119.7	+31.6
1905..	104.9	+16.6	99.1	— 2.3	125.5	+25.5
1906..	117.5	+ 4.1	98.3	— 1.5	139.5	+12.9
1907..	122.3	-----	96.8	-----	157.5	-----

*Iron and steel (bar.)*

1890..	99.1	— 0.9	102.7	— 4.7	110.3	+27.3
1891..	98.4	+ 0.1	101.6	— 3.6	104.9	+33.8
1892..	98.3	+ 0.2	101.8	— 3.8	100.0	+40.4
1893..	105.9	— 7.0	101.4	— 3.5	95.7	+46.7
1894..	100.2	— 1.7	101.3	— 3.4	90.1	+53.8
1895..	103.7	— 5.0	100.7	— 2.8	91.7	+53.1
1896..	93.9	+ 4.9	101.0	— 3.1	99.3	+41.4
1897..	97.7	+ 0.8	97.1	+ 0.8	98.0	+43.3
1898..	99.7	— 1.2	96.6	+ 1.3	96.3	+45.8
1899..	101.6	— 3.1	95.9	+ 2.1	113.7	+23.5
1900..	108.9	— 9.6	97.3	+ 0.6	118.2	+18.8
1901..	100.7	— 2.2	98.4	— 0.5	119.7	+17.3
1902..	104.1	— 5.4	98.8	— 0.9	132.8	+ 5.7
1903..	109.2	— 9.8	98.4	— 0.5	136.5	+ 2.9
1904..	100.2	— 1.7	97.9	-----	125.6	+11.8
1905..	103.6	— 4.9	98.1	— 0.2	126.9	+10.6
1906..	97.0	+ 1.5	97.9	-----	135.7	+ 3.5
1907..	98.5	-----	97.9	-----	140.4	-----

Taken all in all the preceding figures show that, as far as wages and employment are concerned, this country has never seen such an era of prosperity as that which was inaugurated when industry was enabled to adjust itself to the stable and conservative protective policy of a Republican administration. *Never in modern times has employment been as secure and general, and never in the history of the country have wages been as high as during the past ten years.*

## WAGES AND COST OF LIVING.

**Comparison of Day Wages with Retail Prices in 1896 and 1907.—A Day's Wages Will Buy More of the Requirements of Daily Life Now Than in 1896.—Labor Bureau Figures.**

A workingman's earnings are measured only by their purchasing power when used in the supplying of his wants. An increase in wages is of no real benefit to the workingman unless that increase enables him to buy more of the necessities of life than before.

This obvious truth, coupled with the undeniable rise in the market price of many articles of family consumption during recent years, has caused some persons to doubt the actual profit to the wage-earner of the higher rates of wages which have accompanied the increased cost of living.

Let us see what facts are disclosed by a careful and impartial study of the question. The United States Bureau of Labor has recently conducted a thorough investigation of the retail prices of food in connection with the wages paid in leading occupations. The results of this investigation are published in the bulletin of the Bureau of Labor for July, 1908, and are thus the very latest available data on the subject. The price data collected by the Bureau were secured by its agents directly from the books of over 1,000 retail merchants whose patrons largely belong to the class of small consumers covering actual sales in all parts of the country. The figures may, therefore, be considered thoroughly representative as well as trustworthy.

A comparative study of the price figures and those for wages given in the preceding article shows that the increased hourly wages of bricklayers, carpenters, hod carriers, iron moulders, laborers, stone masons, house painters, plasterers, plumbers, stone cutters, etc., have not only kept pace with food prices, but that their purchasing power, when measured by retail prices of food, was greater in 1907 than in any other year of the series with the exception of 1906 alone.

Even if wages and prices had increased in the same proportion it must not be forgotten that with such higher wages and prices the difference between the income and expenditures is greater in actual dollars and cents. For instance, if a workingman earned \$800 in 1896 and expended \$700 he would have saved \$100. If in 1907 both the wages and the prices had increased 25 per cent his wages would then be \$1,000, and his expenditures \$875, and his savings, in consequence, would be \$125. As a matter of fact, however, with the exception of 1907 alone, wage rates in all the leading occupations have increased more than prices, and not only have the wage rates increased, but those employed have had much more constant employment in 1907 than 1896.

In the Bureau of Labor report the average price of each commodity as a whole could not be stated in dollars and cents because the articles for which retail prices were shown vary more or less as to kind and quality in different localities. The averages have, therefore, been computed on a percentage represented as 100, or the base, the prices from year to year being indicated by relative figures.

These relative figures consist of a series of percentages showing the per cent the price in each year was of the average price for the ten-year period from 1890 to 1899. This average for the ten-year period was selected as the base because it represented the average conditions more nearly than the price in any one year which might be selected as a base for all articles. The following table shows the relative price of the 30 principal articles of food considered in the Bureau of Labor Bulletin. In order to make clear the manner of using the relative figures we take, for example, the column showing the figures for "beef, fresh, roasts." It is seen that the price in 1890 was 99.5 per cent of the average price for the period from 1890 to 1899. In 1891 the price was exactly the average price for the ten-year period—that is, 100.0. The lowest point reached was in 1894, when the price was 98.3 per cent of the average price for the ten-year period. The highest point reached was

in 1907 when it stood at 119.1, or 19.1 per cent higher than the average price for the base period, 1890 to 1899. In 1903, 1904 and 1905, a considerable decline from the price in 1902 is seen, the relative price for the last-named year being 112.2, or 12.2 per cent higher than the price for the base period. The table follows:

*Relative retail prices of the principal articles of food in the United States, 1890 to 1907.*

[Average price for 1890-1899=100.0.]

Year.	Apples, evaporated.	Beans, dry.	Beef, fresh, roasts.	Beef, fresh, steaks.	Beef, salt.	Bread, wheat.	Butter.	Cheese.	Chickens (full grown), dressed.	Coffee.
1890 -----	109.0	103.3	99.5	98.8	97.5	100.3	99.2	98.8	101.3	105.4
1891 -----	110.3	106.2	100.0	99.4	98.3	100.3	106.4	100.3	104.0	105.2
1892 -----	99.3	102.4	99.6	99.3	99.5	100.3	106.8	101.5	103.8	103.8
1893 -----	107.0	105.0	99.0	99.6	100.3	100.1	109.9	101.8	104.2	104.8
1894 -----	105.8	102.8	98.3	98.2	98.9	99.9	101.7	101.6	98.6	103.3
1895 -----	97.4	100.5	98.6	99.1	99.6	99.7	97.0	99.2	98.4	101.7
1896 -----	88.6	92.7	99.1	99.5	99.8	99.9	92.7	97.9	97.1	99.6
1897 -----	87.8	91.5	100.3	100.2	100.9	100.0	93.1	99.0	94.0	94.6
1898 -----	95.4	95.9	101.7	102.0	102.1	99.8	95.1	97.5	96.8	91.1
1899 -----	99.5	99.7	103.7	103.9	103.2	99.6	97.7	102.4	101.8	90.5
1900 -----	95.2	110.0	106.5	106.4	103.7	99.7	101.4	103.9	100.8	91.1
1901 -----	96.8	113.9	110.7	111.0	106.1	99.4	103.2	103.3	103.0	90.7
1902 -----	104.4	116.8	118.6	118.5	116.0	99.4	111.5	107.3	113.2	89.6
1903 -----	100.8	118.1	113.1	112.9	108.8	100.2	110.8	109.4	118.5	89.3
1904 -----	99.2	116.8	112.8	113.4	108.3	103.9	109.0	107.4	120.7	91.8
1905 -----	106.0	116.3	112.2	112.9	107.9	104.5	112.7	110.9	123.6	93.6
1906 -----	115.6	115.2	115.7	116.5	110.8	102.3	118.2	115.5	129.1	94.7
1907 -----	124.6	118.8	119.1	120.6	114.1	104.5	127.6	123.2	131.4	95.0

Year.	Corn meal.	Eggs.	Fish, fresh.	Fish, salt.	Flour, wheat.	Lard.	Milk, fresh, unskimmed.	Molasses.	Mutton.	Pork, fresh
1890 -----	100.0	100.6	99.3	100.7	109.7	98.2	100.5	104.7	100.7	97.0
1891 -----	109.7	106.9	99.6	101.7	112.5	99.8	100.5	101.7	100.6	98.7
1892 -----	105.2	106.8	100.1	102.2	105.1	103.6	100.6	101.2	101.0	100.5
1893 -----	103.1	108.1	100.1	103.4	96.1	117.9	100.4	100.6	99.9	107.0
1894 -----	102.2	96.3	100.4	101.5	88.7	106.9	100.2	100.3	97.8	101.8
1895 -----	100.8	99.3	99.8	98.9	89.0	100.1	100.0	99.0	98.7	99.7
1896 -----	95.0	92.8	100.2	97.5	92.7	92.5	99.9	98.7	98.7	97.4
1897 -----	93.7	91.4	99.8	95.2	104.3	89.8	99.7	97.7	99.6	97.6
1898 -----	95.0	96.2	100.5	98.8	107.4	93.9	99.4	97.9	100.4	98.6
1899 -----	95.1	101.1	100.2	100.2	94.6	97.1	98.9	98.2	102.6	101.7
1900 -----	97.4	99.9	100.4	99.1	94.3	101.4	99.9	102.2	105.6	107.7
1901 -----	107.1	105.7	101.4	100.9	94.4	118.1	101.1	101.3	109.0	117.9
1902 -----	118.8	119.1	105.0	102.8	94.9	134.3	103.3	102.1	114.7	128.3
1903 -----	120.7	125.3	107.3	108.4	101.2	126.7	105.8	103.8	112.6	127.0
1904 -----	121.5	130.9	107.9	111.7	119.9	117.3	106.3	104.0	114.1	124.0
1905 -----	122.2	131.6	109.9	113.8	119.9	116.6	107.0	104.4	117.8	126.6
1906 -----	123.2	134.2	116.2	116.8	108.1	128.0	108.9	105.3	124.1	137.7
1907 -----	131.6	137.7	120.6	121.6	117.7	134.2	116.8	107.7	130.1	142.5

**This is not and never shall be a government of plutocracy; it is not and never shall be a government by a mob.**—President Roosevelt at Butte, Mont., May 27, 1903.

**Our workshops never were so busy, our trade at home was never so large, and our foreign trade exceeds that of any like period in all our history.**—President McKinley at Chicago, Oct. 10, 1899.

**The Rate law does not go far enough. The practice under it has already disclosed the necessity for new amendments and will doubtless suggest more. Such is the true method—the empirical and tentative method—of securing proper remedies for a new evil.**—Hon. Wm. H. Taft, at Columbus, Ohio.



*Relative retail prices of the principal articles of food in the United States, 1890 to 1907—Continued.*

Year.	Pork, salt, bacon.	Pork, salt, dry or pickled.	Pork, salt, ham.	Potatoes, Irish.	Prunes.	Rice.	Sugar.	Tea.	Veal.	Vinegar.
1890	95.8	95.3	98.7	109.3	116.8	101.3	118.6	100.0	98.8	102.9
1891	96.6	98.9	99.3	116.6	116.5	102.5	102.7	100.4	99.6	105.5
1892	99.1	100.5	101.9	95.7	113.5	101.3	96.2	100.2	100.0	102.7
1893	109.0	108.7	109.3	112.3	115.6	98.4	101.5	100.1	100.0	99.5
1894	103.6	103.4	101.9	102.6	100.9	99.0	93.8	98.7	98.7	99.8
1895	99.4	99.2	98.8	91.8	94.2	98.8	91.8	98.5	98.5	98.9
1896	96.7	95.5	97.6	77.0	86.8	96.7	96.6	98.8	99.5	97.2
1897	97.4	97.3	98.2	93.0	84.3	97.9	95.7	98.5	99.9	97.4
1898	100.2	99.1	95.1	105.4	86.3	101.7	101.3	100.7	101.2	97.9
1899	102.9	101.8	99.2	96.1	85.1	102.4	101.7	104.4	103.7	98.3
1900	109.7	107.7	105.3	93.5	83.0	102.4	104.9	105.5	104.9	98.5
1901	121.0	117.5	110.2	116.8	82.6	103.5	103.0	106.7	108.8	98.9
1902	135.6	132.5	119.4	117.0	83.4	103.5	96.0	107.2	115.2	99.5
1903	139.8	129.0	121.3	114.8	80.2	103.9	96.1	106.0	114.9	99.1
1904	137.9	125.8	118.4	121.3	79.6	101.6	101.9	105.8	115.5	98.9
1905	138.8	126.0	118.5	110.2	81.4	102.6	103.9	105.7	117.7	100.3
1906	150.4	126.9	127.2	114.4	85.1	105.7	98.2	105.5	123.2	102.6
1907	157.3	141.2	130.7	120.6	88.4	108.5	99.6	105.3	125.0	104.5

The following table shows the relative wages per hour, the relative retail prices of food, and the relative purchasing power of hourly wages when measured by retail prices of food, for each year from 1890 to 1907. The prices are "weighted" according to the importance of each article in family consumption, the degree of importance having been determined by a special inquiry covering over 2,500 families. In the computation of a "simple average" for all food the same importance is given to each article, flour, for example, being given the same weight as cheese. To overcome the unfairness of such an average, the exact quantity of each commodity of food used was ascertained and each commodity was then given its proper importance as an article of consumption. The result is the "weighted" average given. It should be stated in this connection, however, that the "weighted" average as shown does not differ materially from the simple average.

*Relative wages per hour, retail prices of food, and purchasing power of hourly wages, measured by retail prices of food, 1890 to 1907.*

[Relative numbers computed on basis of average for 1890-1899=100.0.]

Year.	Wages per hour.	Retail prices of food weighted according to family consumption.	Purchasing power of hourly wages measured by retail prices of food.
1890	100.3	102.4	97.9
1891	100.3	103.8	96.6
1892	100.8	101.9	98.9
1893	100.9	101.4	96.6
1894	97.9	99.7	98.2
1895	98.3	97.8	100.5
1896	99.7	95.5	104.4
1897	99.6	96.3	103.1
1898	100.2	98.7	101.5
1899	102.0	99.5	102.5
1900	105.5	101.1	104.4
1901	108.0	105.2	102.7
1902	112.2	110.9	101.2
1903	116.3	110.3	105.4
1904	117.0	111.7	104.7
1905	118.9	112.4	105.8
1906	124.2	115.7	107.3
1907	128.8	120.6	106.8

The method of using the relative figures has already been explained. The important facts disclosed by this table are that wages per hour and retail prices of food weighted according to family consumption were both higher in 1907 than in any other year of the eighteen-year period and that the increase in wages,

as compared with the average for 1890 to 1899, was 8.2 per cent greater than the increase in prices of food. As compared with 1896, the year of lowest prices, the increase of wages was from 99.7 to 128.8, or 29.2 per cent, while the increase in food prices was from 99.5 to 120.6, or 26.3 per cent. Again, the purchasing power of an hour's wages measured by retail prices of food was 104.4 in 1896 and 106.8 in 1907, a difference of 2.4, or 2.3 per cent, in favor of the latter year.

The changes in the cost of living, as shown by the bulletin of the Bureau of Labor, relate to food alone, representing 42.54 per cent of all family expenditures in the 2,567 families furnishing information. With respect to the remaining articles of expenditure in the average workingman's family, a preceding number of the bulletin states that they are, from their nature, affected only indirectly and in very slight degree by any rise or fall in prices. Such are payments on account of principal and interest of mortgage, taxes, property and life insurance, labor and other organization fees, religion, charity, books and newspapers, amusements and vacations, intoxicating liquors, and sickness and death. These together constituted 14.51 per cent of the family expenditure in 1901 of the 2,567 families investigated. Miscellaneous purposes, not reported, for which, from their very character, no prices are obtainable, made up 5.87 per cent, and rent, for which also no prices for the several years are available, made up 12.95 per cent. The remaining classes of family expenditure, 24.13 per cent of all, consist of clothing 14.04 per cent, fuel and lighting 5.25 per cent, furniture and utensils 3.42 per cent, and tobacco 1.42 per cent. For these no retail prices covering a series of years are available, but it is probable that the advance of the retail prices was considerably less than the advance in wholesale prices, as the advance in wholesale prices of articles of food in 1907, as compared with 1896, was 40.6 per cent, while the advance in the retail prices of similar articles or groups of articles, as shown by the results of this investigation, was but 26 per cent. An examination of the relative wholesale prices of these classes of articles in Bulletin No. 75, giving them their proper weight according to family consumption, leads to the conclusion that the retail prices of these articles as a whole in 1907 could have been but little, if at all, above the level indicated for food.

If all classes of family expenditures as above be taken into consideration, it is apparently a safe and conservative conclusion that the increase in the cost of living as a whole, in 1907, when compared with the year of lowest prices, was less than 26 per cent, the figures given above as the increase in the cost of food as shown by this investigation. It is shown on the succeeding pages that *the increase in wages in 1907 over the year of lowest wages*, as shown by the same bulletin of the Bureau of Labor, WAS GREATER THAN THE INCREASE IN COST OF LIVING, BEING 31.6 PER CENT.

#### **Wages Have Advanced More Than Prices.**

A comparison of the table showing prices with that on another page, entitled "Per cent of increase or decrease in the relative wages per hour in 15 leading occupations in 1907, compared with each preceding year," discloses the following interesting facts:

Bricklayers' wages advanced 42.3 per cent from 1896 to 1907; carpenters' wages, 52.5 per cent; hod-carriers wages, 35.5 per cent; iron moulders wages, 28.0 per cent; building laborers' wages, 31.8 per cent; stone masons' wages 42.4 per cent; painters' wages, 43.1 per cent; plasterers' wages, 53.8 per cent; plumbers' wages, 47.5 per cent; stone cutters' wages, 27.8 per cent; structural iron workers' wages, 95.2 per cent, etc., while during the same period the retail prices of fresh beef roasts increased 20.2 per cent; beef steaks, 21.2 per cent; salt beef, 14.3 per cent; bread, 4.6 per cent; butter, 37.6 per cent; cheese, 25.8 per cent; coffee decreased 4.6 per cent; fresh fish increased 20.4 per cent; salt fish, 24.7 per cent; wheat flour, 27.0 per cent; fresh milk, 16.9 per cent; molasses, 9.1 per cent; rice, 12.2 per cent; sugar, 3.1 per cent, and tea, 6.6 per cent. All food of ordinary consumption has increased an

average of 26 per cent; pork products, which are included in this general average, advanced from 33.9 to 62.7 per cent, owing to the high price of hogs, the wholesale price of which advanced 77.8 per cent during the same period, as is shown in the chapter on the exchange value of farm products.

By measuring the purchasing power of an hour's wages of these various articles of food in 1896 and in 1907, a very interesting result is obtained.

In the case of a *bricklayer*, it shows that for an hour's wages in 1907, as compared with an hour's wages in 1896, he could buy 18.5 per cent more beef roasts; 17.5 per cent more beef steak; 24.6 per cent more salt beef; 36.2 per cent more wheat bread; 3.5 per cent more butter; 13.2 per cent more cheese; 49.4 per cent more coffee; 18.3 per cent more fresh fish; 14.3 per cent more salt fish; 7.4 per cent more wheat flour; 30.9 per cent more fresh milk; 30.6 per cent more molasses; 27 per cent more rice; 38.4 per cent more sugar, and 33.7 per cent more tea.

A *carpenter* could buy for an hour's wages in 1907, as compared with 1896, 26.9 per cent more beef roasts; 25.8 per cent more beef steak; 33.4 per cent more salt beef; 45.8 per cent more wheat bread; 10.8 per cent more butter; 21.2 per cent more cheese; 49.9 per cent more coffee; 26.7 per cent more fresh fish; 21.3 per cent more salt fish; 20.1 per cent more wheat flour; 30.5 per cent more fresh milk; 39.1 per cent more molasses; 35.9 per cent more rice; 47.9 per cent more sugar, and 43.1 per cent more tea.

A *day laborer* could buy for an hour's wages in 1907, as compared with 1896, 9.7 per cent more beef roasts; 8.7 per cent more beef steak; 15.3 per cent more salt beef; 26 per cent more wheat bread; 4.7 per cent more cheese; 38.6 per cent more coffee; 9.5 per cent more fresh fish; 5.7 per cent more salt fish; 3.7 per cent more wheat flour; 12.7 per cent more fresh milk; 20.9 per cent more molasses; 17.5 per cent more rice; 27.9 per cent more sugar, and 23.7 per cent more tea.

A *painter* could buy for an hour's wages in 1907, as compared with 1896, 19.1 per cent more beef roasts; 18.1 per cent more beef steak; 24.6 per cent more salt beef; 36.8 per cent more wheat bread; 4 per cent more butter; 13.7 per cent more cheese; 49.9 per cent more coffee; 18.9 per cent more fresh fish; 14.6 per cent more salt fish; 12.7 per cent more wheat flour; 22.4 per cent more fresh milk; 31.2 per cent more molasses; 27.6 per cent more rice; 38.9 per cent more sugar, and 34.3 per cent more tea.

An *iron moulder* could buy for an hour's wages in 1907, as compared with 1896, 6.5 per cent more beef roasts; 5.6 per cent more beef steak; 12 per cent more salt beef; 2.2 per cent more wheat bread; 1.7 per cent more cheese; 34.2 per cent more coffee; 6.4 per cent more fresh fish; 2.7 per cent more salt fish; 0.8 per cent more wheat flour; 9.5 per cent more fresh milk; 17.3 per cent more molasses; 14.1 per cent more rice; 24.2 per cent more sugar, and 20.4 per cent more tea.

A *plumber* could buy for an hour's wages in 1907, as compared with 1896, 24.8 per cent more beef roasts; 23.7 per cent more beef steak; 31.1 per cent more salt beef; 43.3 per cent more wheat bread; 9 per cent more butter; 19.2 per cent more cheese; 57.3 per cent more coffee; 24.7 per cent more fresh fish; 20.3 per cent more salt fish; 18.2 per cent more wheat flour; 28.2 per cent more fresh milk; 37.5 per cent more molasses; 32.9 per cent more rice; 45.4 per cent more sugar, and 40.8 per cent more tea.

A *stone cutter* could buy for an hour's wages in 1907, as compared with 1896, 6.3 per cent more beef roasts; 5.4 per cent more beef steak; 11.8 per cent more salt beef; 22.1 per cent more wheat bread; 1.5 per cent more cheese; 34 per cent more coffee; 6.2 per cent more fresh fish; 2.4 per cent more salt fish; 0.6 per cent more wheat flour; 9.3 per cent more fresh milk; 17.1 per cent more molasses; 13.9 per cent more rice; 23.9 per cent more sugar, and 19.9 per cent more tea.

A *stone mason* could buy for an hour's wages in 1907, as compared with 1896, 18.6 per cent more beef roasts; 17.5 per



cent more beef steak; 24.6 per cent more salt beef; 36 per cent more wheat bread; 3.5 per cent more butter; 13.2 per cent more cheese; 49.3 per cent more coffee; 18.3 per cent more fresh fish; 14.2 per cent more salt fish; 11.9 per cent more wheat flour; 21.8 per cent more fresh milk; 30.5 per cent more molasses; 26.9 per cent more rice; 38.1 per cent more sugar, and 33.6 per cent more tea.

A structural iron worker could buy for an hour's wages in 1907, as compared with 1896, 62.4 per cent more beef roasts; 61 per cent more beef steak; 70.7 per cent more salt beef; 86.6 per cent more wheat bread; 41.8 per cent more butter; 55.6 per cent more cheese; 104.6 per cent more coffee; 62.2 per cent more fresh fish; 56.5 per cent more salt fish; 53.7 per cent more wheat flour; 66.9 per cent more fresh milk; 80.7 per cent more molasses; 74 per cent more rice; 89.3 per cent more sugar, and 82.3 per cent more tea.

Similar comparisons could be made with many more occupations, but it is believed that the above, which all relate to leading and well-defined occupations, are sufficient to prove the fallacy of the assertion that wages have not kept up with prices since the great industrial depression during the last Democratic administration.

As a summary of results of the investigations relative to wages and cost of living, the two following tables are given in the Bulletin of the Bureau of Labor. The first shows relative figures, while the second shows the increase or decrease in the year 1907 as compared with each preceding year of the period considered.

*Relative employees, hours per week, wages per hour, full-time weekly earnings per employee, retail prices of food, and purchasing power of hourly wages and of full-time weekly earnings per employee, measured by retail prices of food, 1890 to 1907.*

[Relative numbers computed on basis of average for 1890-1899=100.0.]

Year	Employees.	Hours per week.	Wages per hour.	Full-time weekly earnings per employee.	Retail prices of food, weighted according to family consumption.	Purchasing power, measured by retail prices of food, of—	
						Hourly wages.	Full-time weekly earnings per employee.
1890 -----	94.8	100.7	100.3	101.0	102.4	97.9	98.6
1891 -----	97.3	100.5	100.3	100.8	103.8	96.6	97.1
1892 -----	99.2	100.5	100.8	101.3	101.9	98.9	99.4
1893 -----	99.4	100.3	100.9	101.2	104.4	96.6	96.9
1894 -----	94.1	99.8	97.9	97.7	99.7	98.2	98.0
1895 -----	96.4	100.1	98.3	98.4	97.8	100.5	100.6
1896 -----	98.6	99.8	99.7	99.5	95.5	104.4	104.2
1897 -----	100.9	99.6	99.6	99.2	96.3	103.4	103.0
1898 -----	106.4	99.7	100.2	99.9	98.7	101.5	101.2
1899 -----	112.1	99.2	102.0	101.2	99.5	102.5	101.7
1900 -----	115.6	98.7	105.5	104.1	101.1	104.4	103.0
1901 -----	119.1	98.1	108.0	105.9	105.2	102.7	100.7
1902 -----	123.6	97.3	112.2	109.2	110.9	101.2	98.5
1903 -----	126.5	96.6	116.3	112.3	110.3	105.4	101.8
1904 -----	125.7	95.9	117.0	112.2	111.7	104.7	100.4
1905 -----	133.6	95.9	118.9	114.0	112.4	105.8	101.4
1906 -----	142.9	95.4	124.2	118.5	115.7	107.3	102.4
1907 -----	144.4	95.0	128.8	122.4	120.6	106.8	101.5

Note.—In explanation of relative figures it should be stated that each figure in the above table represents the per cent which the actual figures were of the average figures for the ten-year period from 1890 to 1899, the latter being presumed to represent normal conditions more accurately than the figures for any one year.

In the first column, for example, the number of employees in 1890 is shown to have been 94.8 per cent of the average number for the ten-year period; the number in 1894 was 94.1 per cent of the average for the ten-year period; the number in 1907 was 144.4 per cent of the average, or 44.4 per cent greater than the average for the ten-year period, etc.

*Per cent of increase (+) or decrease (—) in 1907, as compared with previous years, in employees, hours per week, wages per hour, full-time weekly earnings per employee, retail prices of food, and purchasing power of hourly wages and of full-time weekly earnings per employee, measured by retail prices of food, 1890 to 1907.*

Year.	Per cent of increase (+) or decrease (—) in 1907 as compared with previous years.						
	Employ-ees.	Hours per week	Wages per hour.	Full-time weekly earnings per em-ployee.	Retail prices of food, weighted according to family onsump-tion.	Purchasing power, measured by retail prices of food, of—	
						Hourly wages.	Full-time weekly earnings per em-ployee.
Average 1890-1899	+44.4	—5.0	+28.8	+22.4	+20.6	+ 6.8	+1.3
1890	+52.3	—5.7	+28.4	+21.2	+17.8	+ 9.1	+2.9
1891	+48.4	—5.5	+28.4	+21.4	+16.2	+10.6	+4.5
1892	+45.6	—5.5	+27.8	+20.8	+18.4	+ 8.0	+2.1
1893	+45.3	—5.3	+27.7	+20.9	+15.5	+10.6	+4.7
1894	+53.5	—4.8	+31.6	+25.3	+21.0	+ 8.8	+3.6
1895	+49.8	—5.1	+31.0	+24.4	+23.3	+ 6.3	+0.9
1896	+46.5	—4.8	+29.2	+23.0	+26.3	+ 2.3	—2.6
1897	+43.1	—4.6	+29.3	+23.4	+25.2	+ 3.3	—1.5
1898	+35.7	—4.7	+28.5	+22.5	+22.2	+ 5.2	+0.3
1899	+28.8	—4.2	+26.3	+20.9	+21.2	+ 4.2	—0.2
1900	+24.9	—3.7	+22.1	+17.6	+19.3	+ 2.3	—1.5
1901	+21.2	—3.2	+19.3	+15.6	+14.6	+ 4.0	+0.8
1902	+16.8	—2.4	+14.8	+12.1	+ 8.7	+ 5.5	+3.0
1903	+14.2	—1.7	+10.7	+ 9.0	+ 9.3	+ 1.3	—0.3
1904	+14.9	—0.9	+10.1	+ 9.1	+ 8.0	+ 2.0	+ 1.1
1905	+ 8.1	—0.9	+ 8.3	+ 7.4	+ 7.3	+ 0.9	+0.1
1906	+ 1.0	—0.4	+ 3.7	+ 3.3	+ 4.2	— 0.5	—0.9

Note.—The figures in this table give for each year, and for the average of the ten-year period from 1890 to 1899, the per cent of increase or decrease (indicated by + or —) which the figures for 1907 show as compared with the year specified. For example, the first column shows that the number of employees in 1907 was 44.4 per cent greater than the average number in the ten-year period, 53.5 per cent greater than the number in 1894, 1 per cent greater than the number in 1906, etc., etc.

#### **Better Employment, Shorter Working Hours, Higher Wages and Higher Purchasing Power of Wages.**

The foregoing table, which presents the facts in the convenient form of percentages, discloses most important information with reference to conditions in 1907, as compared with the period of industrial depression which reached its lowest depths during the years 1894, 1895 and 1896.

First—*Employment Afforded*—As regards the number of employees in the manufacturing and mechanical industries, it is seen that over one-half more workmen (53.5 per cent) were employed in 1907 than in 1894, and that during the administrations of President McKinley and President Roosevelt the number given employment has steadily and rapidly increased even up to and including the last year of the period 1907. And even the wonderful increase in 1907 over 1894 as shown above does not mark the extreme limit of the betterment of industrial conditions as regards employment afforded; for it must be remembered that the various establishments covered in the investigation of the Bureau of Labor were practically all in operation each year during the entire period and the figures secured therefrom do not reflect conditions in the hundreds of important establishments which were closed entirely during the period of depression. Were figures available showing the thousands of workmen thrown into absolute idleness by the closing down of factories and mills during Democratic rule, and the thousands given employment during Republican rule,



the per cent of increase in employees at work in 1907 over the number shown for 1894 would doubtless be double that given by the Bureau of Labor in the table.

**Second—Working Hours**—As regards hours of work in the establishments covered, it is seen that almost without a halt the work-day has gradually been shortened during the period. The average hours worked per week in 1907 were 5.7 per cent less than in 1890; 5.1 per cent less than in 1895; 3.7 per cent less than in 1900, and .4 per cent less than in 1906. The general betterment of industrial conditions is nowhere better shown than in the figures which indicate that slowly but surely the hours of labor are decreasing and a consequently longer time is afforded the workmen for rest, recreation, and improvement.

**Third—Hourly Wages**—The table shows quite conclusively the reduction in wages during the years of depression and the gradual and rapid increase year by year since 1896. It is seen that the hourly wages in 1907 were 28.4 per cent higher than in 1890; they were in 1907 31.6 per cent higher than in 1894, the year of lowest wages; they were 31 per cent higher than in 1895, and 29.2 per cent higher than in 1896, etc. It is most interesting to note the steady and strong tendency towards higher wages during the last ten years, nor should the fact be overlooked that the wages of 1907, the last year covered, were higher than in any previous year, being 3.7 per cent higher than the year 1906. The figures do not in any way indicate that a retrograde movement has begun.

**Fourth—Weekly Earnings per Employee**—It has been stated that while hourly wages have increased greatly the daily hours of work have gradually decreased. While the decrease in hours has doubtless been due to the movement of workmen themselves for a shorter work-day, it should be noted also that when the decrease in hours per week is taken in connection with the increase in wages the resulting weekly earnings still show a marked increase in 1907 over preceding years. For example, the weekly earnings in 1907 were 25.3 per cent greater than in 1894; 24.4 per cent greater than in 1895, etc., etc. While the increase as shown above is quite considerable, it should be remembered that it does not by any means indicate the conditions as to weekly, monthly, or annual earnings in 1907, as compared with the years of depression, inasmuch as the figures given are based on the presumption that each employee worked full time. While figures are not available showing the extent to which establishments worked "half-time" or "three-quarter time" during the years of depression, or closed down entirely, it is safe to say that were it possible to compare average weekly, monthly, or yearly earnings in 1907 with those for 1894, 1895, and 1896, the per cent of increase in 1907 over the latter years would be much greater than that shown in the Bulletin of the Bureau of Labor.

**Fifth—Retail Prices of Food**—As previously indicated, the figures given in this column are stated by the Bureau of Labor to fairly represent not only the trend of cost of living so far as food is concerned, but also to mark the possible limits of advance and decline in the cost of all articles of family consumption. The results are especially important as they are derived from a most comprehensive investigation into retail prices covering a long series of years. Heretofore wholesale prices have been used to indicate the trend of cost of living, although it was recognized that they were more sensitive to conditions than retail prices, that their fluctuations were considerably greater, and that they could not be used to indicate even approximately the extent of increase or decrease from year to year in the cost of living. The collection of retail prices which forms the basis of the figures in the table is, therefore, of great value as indicating with great exactness the cost of living based on prices actually paid by the small consumer. It is seen that the cost of living increased in 1907 over the year of lowest prices, 1896, not more than 26.3 per cent; over 1897, 25.2 per cent; over 1898, 22.2 per cent; etc., etc.

**Sixth—Purchasing Power of Wages**—The last two columns of the table show the percentages representing the purchasing



power of wages. The first of the two columns shows the facts for hourly wages, while the second shows those for weekly earnings. Considering the retail prices of food or cost of living in connection with hourly wages, it is shown that the purchasing power of hourly wages in 1907 was 10.6 per cent greater than in 1893; 8.8 per cent greater than in 1894; 6.3 per cent greater than in 1895; 2.3 per cent greater than in 1896, etc., etc. In other words, an hour's wages in 1907 would purchase 10.6 per cent more of the commodities and articles entering into the cost of living of the workingman's family than would an hour's wages in 1893, etc. The last column, which does not present so accurate a figure for reasons stated previously in connection with weekly earnings confirms the conclusion justified by the preceding column that, considering both wages and cost of living, the workingman has benefited to a measurable degree from the increase in wages despite the increase in cost of living and shortening of work hours.

When it is remembered, also, that the betterment of industrial conditions has been greater than the figures indicate in some cases, as previously explained, that it has extended in many directions not covered by the figures and not even susceptible of demonstration by the statistical method, and that the savings of the workman during a period of high wages, although accompanied by high prices, is considerably greater than during a period of depression, it seems a safe and conservative conclusion that at no time in the history of this or any other country has there been an era of prosperity so productive of material benefit to both the workingman and the employer as the last twelve years of Republican rule.

#### WAGES IN THE UNITED STATES AND IN GREAT BRITAIN.

A comparison of wage conditions in the United States with those of our free-trade neighbor, Great Britain, is interesting. It is said that in no country is labor better organized than in Great Britain. Organized labor has therefore exerted at least as great an influence for higher wages there as it has in this country. Industrial conditions, under free trade, have, however, made it impossible for employers of labor to pay anything like the wages received by American workingmen.

At the same time that the figures relating to wages in 1903 were being collected in this country, a special agent of the United States Bureau of Labor visited Great Britain for the purpose of obtaining wage statistics from the pay rolls of British industrial establishments doing business continuously during the period from 1890 to 1903, so that statistics might be obtained for that country that are entirely comparable with those gathered in the United States.

The following table, which was compiled from the July, 1904, Bulletin of the Federal Bureau of Labor, shows the general results of this investigation abroad as compared with the figures obtained for this country:

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There are more than twenty-five thousand local labor unions in the United States, with a membership of more than two millions. What infinite good can be accomplished by this mighty army of peace and industry if held true to its opportunity.—Hon. C. W. Fairbanks, at Kansas City, Mo., September 1, 1902.

You ask me what I think of a provision that no restraining order or injunction shall issue except after notice to the defendant and a hearing had. This was the rule under the Federal statutes for many years, but was subsequently abolished. In the class of cases to which you refer I do not see any objection to the re-enactment of that Federal statute. Indeed, I have taken occasion to say in public speeches that the power to issue injunction ex parte has given rise to certain abuses and injustice to the laborers in a peaceable strike.—Hon. Wm. H. Taft, in correspondence with President Llewellyn Lewis, of the Ohio Federation of Labor.

Year.	Blacksmiths.		Boilermakers.		Bricklayers.		Carpenters.		Compositors.		Hod carriers.		Iron molders.	
	United States.	Great Britain.	United States.	Great Britain.	United States.	Great Britain.	United States.	Great Britain.	United States.	Great Britain.	United States.	Great Britain.	United States.	Great Britain.
1890.....	\$0.2677	\$0.1652	\$0.2594	\$0.1595	\$0.4316	\$0.1757	\$0.2713	\$0.1690	\$0.3980	\$0.1572	\$0.2259	\$0.1217	\$0.2540	\$0.1678
1891.....	.2681	.1650	.2577	.1603	.4365	.1791	.2730	.1757	.3997	.1651	.2248	.1217	.2565	.1678
1892.....	.2672	.1671	.2585	.1711	.4431	.1859	.2825	.1791	.4013	.1689	.2314	.1250	.2548	.1677
1893.....	.2677	.1654	.2583	.1646	.4436	.1853	.2744	.1791	.3933	.1692	.2325	.1250	.2537	.1683
1894.....	.2611	.1674	.2614	.1636	.4325	.1892	.2693	.1791	.3796	.1693	.2303	.1250	.2472	.1680
1895.....	.2602	.1695	.2629	.1645	.4367	.1892	.2692	.1825	.3827	.1689	.2320	.1318	.2476	.1700
1896.....	.2613	.1716	.2626	.1683	.4337	.1930	.2740	.1837	.3897	.1695	.2335	.1250	.2507	.1698
1897.....	.2604	.1740	.2607	.1677	.4361	.1994	.2748	.1926	.3925	.1607	.2322	.1250	.2525	.1756
1898.....	.2587	.1747	.2617	.1727	.4311	.1991	.2790	.1926	.3934	.1617	.2313	.1250	.2503	.1761
1899.....	.2637	.1770	.2654	.1744	.4597	.2028	.2839	.1994	.4066	.1669	.2518	.1250	.2568	.1790
1900.....	.2685	.1724	.2773	.1736	.4672	.2028	.3049	.2028	.4071	.1699	.2498	.1250	.2694	.1790
1901.....	.2757	.1722	.2794	.1735	.4912	.1994	.3190	.2028	.4252	.1730	.2546	.1250	.2739	.1766
1902.....	.2841	.1742	.2800	.1737	.5303	.2062	.3403	.2028	.4352	.1768	.2676	.1250	.2894	.1765
1903.....	.2962	.1740	.2848	.1719	.5471	.2062	.3594	.2028	.4467	.1795	.2863	.1250	.3036	.1787

Year.	Laborers, General.		Machinist.		Painters, house.		Plumbers.		Stone cutters.		Stone masons.	
	United States.	Great Britain.	United States.	Great Britain.	United States.	Great Britain.	United States.	Great Britain.	United States.	Great Britain.	United States.	Great Britain.
1890.....	\$0.1507	\$0.0948	\$0.2413	\$0.1531	\$0.2680	\$0.1554	\$0.3464	\$0.1757	\$0.3730	\$0.1689	\$0.3722	\$0.1774
1891.....	.1511	.0981	.2435	.1594	.2712	.1605	.3488	.1757	.3803	.1723	.3752	.1808
1892.....	.1510	.0950	.2459	.1590	.2747	.1639	.3511	.1825	.3750	.1791	.3673	.1842
1893.....	.1493	.0954	.2450	.1585	.2795	.1639	.3552	.1825	.3618	.1859	.3644	.1910
1894.....	.1419	.0975	.2347	.1588	.2737	.1639	.3515	.1825	.3593	.1859	.3440	.1910
1895.....	.1440	.0950	.2317	.1590	.2720	.1656	.3546	.1892	.3611	.1859	.3485	.1943
1896.....	.1415	.0958	.2397	.1607	.2742	.1656	.3505	.1926	.3590	.1893	.3547	.1977
1897.....	.1445	.0975	.2397	.1663	.2778	.1689	.3588	.1960	.3524	.1893	.3628	.1977
1898.....	.1466	.0997	.2377	.1654	.2827	.1723	.3638	.1960	.3467	.1960	.3681	.2045
1899.....	.1457	.1015	.2417	.1685	.2892	.1757	.3684	.2027	.3594	.1960	.3719	.2045
1900.....	.1461	.1022	.2485	.1694	.2954	.1757	.3811	.2027	.3923	.1960	.3788	.2045
1901.....	.1585	.1028	.2555	.1677	.3170	.1757	.3935	.2027	.3868	.1960	.4007	.2045
1902.....	.1644	.1052	.2646	.1691	.3303	.1774	.4122	.2029	.3938	.1994	.4304	.2078
1903.....	.1676	.1019	.2709	.1677	.3450	.1774	.4371	.2027	.4225	.1994	.4486	.2078

These statistics show a remarkable difference between wage conditions in the United States and in Great Britain. During the 14-year period from 1890 to 1903 the average wage returns for each year as shown in the table, range as follows: Blacksmiths, in the United States, \$0.26 to 0.29½, and in Great Britain \$0.16½ to 17½ per hour; boilermakers, in the United States, \$0.26 to \$0.28½, and in Great Britain \$0.16 to 0.17½ per hour; bricklayers, in the United States, \$0.43 to 0.54½, and in Great Britain \$0.17½ to 0.20½ per hour; carpenters, in the United States, \$0.27 to 0.36, and in Great Britain \$0.17 to \$0.20½ per hour; compositors, in the United States, \$0.38 to 0.44½, and in Great Britain \$0.15½ to 0.18 per hour; hodcarriers, in the United States, \$0.22½ to 0.28½, and in Great Britain \$0.12 to 0.13 per hour; iron moulders, in the United States, \$0.24½ to 0.30½, and in Great Britain \$0.17 to 0.18 per hour; general laborers, in the United States, \$0.14 to 0.17, and in Great Britain \$0.09½ to 0.10½ per hour; machinists, in the United States, \$0.23½ to 0.27, and



in Great Britain \$0.15½ to 0.17 per hour; house painters, in the United States, \$0.27 to 0.34½, and in Great Britain \$0.15½ to 0.17½ per hour; plumbers, in the United States, \$0.34½ to 0.43½, and in Great Britain \$0.17½ to 0.20½ per hour; stone cutters, in the United States, \$0.34½ to 0.42, and in Great Britain \$0.17 to 0.20 per hour; stone masons, in the United States, \$0.34½ to 0.45, and in Great Britain \$0.17½ to 0.21 per hour.

The claim is sometimes made that the increased wages in this country since the years of depression (1893 to 1897) were accompanied by like increases in Great Britain. That this is not the case can be shown by examining the following table, in which the wages in 1896 and in 1903 and the percentage of increase in the United States and in Great Britain during that period are placed side by side:

*Wages in the United States and Great Britain in 1896 and 1903.*

[Compiled from Bulletin No. 51, United States Bureau of Labor.]

Occupation.	Wages per hour.					
	United States.			Great Britain.		
	1896.	1903.	Per cent increase.	1896.	1903.	Per cent increase.
Blacksmiths.....	\$0.2643	\$0.2962	12.1	\$0.1716	\$0.1740	1.4
Boilermakers.....	.2626	.2848	8.5	.1683	.1719	2.1
Bricklayers.....	.4337	.5471	26.1	.1960	.2062	5.2
Carpenters.....	.2740	.3594	31.2	.1893	.2028	7.1
Compositors.....	.3897	.4467	14.6	.1695	.1795	5.9
Hod carriers.....	.2335	.2863	22.6	.1250	.1250	0.0
Iron molders.....	.2507	.3036	21.1	.1698	.1787	5.9
Laborers, general	.1415	.1676	18.4	.0958	.1019	6.4
Machinists.....	.2397	.2709	12.6	.1607	.1677	4.4
Painters, house..	.2742	.3450	26.5	.1656	.1774	7.1
Plumbers.....	.3505	.4371	25.8	.1926	.2027	5.2
Stone cutters.....	.3590	.4225	24.7	.1893	.1994	5.3
Stone masons....	.3547	.4486	17.7	.1977	.2078	5.1

The tendency of wages in all industrial countries is to increase gradually from year to year except at times of industrial depression, and while such a normal increase is noticeable in the figures for Great Britain from 1896 to 1903, the figures for the United States during this period plainly show that the increase here has been phenomenal. Thus, while from 1896 to 1903 the wages of blacksmiths increased 1.4 per cent in Great Britain they increased 12.1 per cent in the United States; the wages of boiler makers increased 2.1 per cent in Great Britain and 8.5 per cent in the United States; the wages of bricklayers increased 5.2 per cent in Great Britain and 26.1 per cent in the United States; the wages of carpenters increased 7.1 per cent in Great Britain and 31.2 per cent in the United States; the wages of compositors increased 5.9 per cent in Great Britain and 14.6 per cent in the United States; the wages of hod carriers showed no change in Great Britain and increased 22.6 per cent in the United States; the wages of iron moulders increased 5.9 per cent in Great Britain and 21.1 per cent in the United States; the wages of general laborers increased 6.4 per cent in Great Britain and 18.4 per cent in the United States; the wages of machinists increased 4.4 per cent in Great Britain and 12.6 per cent in the United States; the wages of house painters increased 7.1 per cent in Great Britain and 26.5 per cent in the United States; the wages of plumbers increased 5.2 per cent in Great Britain and 25.8 per cent in the United States; the wages of stone cutters increased 5.3 per cent in Great Britain and 24.7 per cent in the United States; and the wages of stone masons increased 5.1 per cent in Great Britain, while they increased 17.7 per cent in the United States.

Thus, while the percentage of increase in these 13 occupations ranged from 0.0 to 7.1 per cent in Great Britain, it ranged from 8.5 per cent to 31.2 per cent in the United States.

More recent figures showing the difference in wages in this country and in Great Britain are contained in the two follow-



ing tables. The data for the United States are taken from the July, 1907, Bulletin of the Federal Bureau of Labor, and represent the average wages per hour and hours of work per week in the occupations and cities specified. The figures for the three cities of Great Britain are found in a report published by the British Board of Trade, Labor Department, in November, 1906, and are the standard wage rate per hour and hours of labor per week observed in the several localities at the date mentioned. All of the six occupations for which the facts are shown belong to the building trades.

*Average wages per hour and hours of labor per week in three representative American cities in 1906.*

[Compiled from Bulletin No. 71, United States Bureau of Labor.]

Occupation.	Average wages per hour.			Average hours per week.		
	New York.	Balti- more.	Chi- cago.	New York.	Balti- more.	Chi- cago.
Bricklayers.....	\$0.7000	\$0.6365	\$0.6265	44.00	48.00	45.24
Carpenters.....	.5746	.4085	.5700	44.00	48.00	44.00
Laborers.....	.2097	.1802	.2939	50.38	53.66	50.00
Painters.....	.4695	.3750	.4811	44.10	48.00	44.00
Plasterers.....	.6875	.6250	.6875	44.00	48.00	44.00
Plumbers.....	.5945	.4094	.5625	44.00	48.00	44.00

*Standard wages per hour and hours of labor per week in three representative cities of Great Britain on October 1, 1906.*

[Compiled from Standard Time Rates of Wages in the United Kingdom at 1st October, 1906—Board of Trade (Labour Department).]

Occupation.	Standard wages per hour.			Standard hours per week.		
	Lon- don.	Man- chester.	Glas- gow.	Lon- don.	Man- chester.	Glas- gow.
Bricklayers.....	\$0.2129	\$0.2027	\$0.1926	50.00	54.50	51.00
Carpenters.....	.2129	.1926	.1926	50.00	49.50	51.00
Laborers.....	.1419	.1216	.1216	50.00	52.00	51.00
Painters.....	.1825	.1774	.1825	50.00	52.00	51.00
Plasterers.....	.2230	.2027	.1926	50.00	52.00	51.00
Plumbers.....	.2230	.1926	.1825	50.00	49.50	51.00

The New York *Journal of Commerce* (Democratic) recently printed a table giving in the currency of the United States the average wages paid per hour for 12 classes of labor in the United States as compared with certain European countries in the calendar year 1903. The table was compiled from a bulletin issued a short time ago by the Bureau of Labor at Washington, in which the average rate of wages paid in each year from 1890 to 1903 inclusive for twelve classes of employment are given in detail for the countries named above.

Occupation.	United States.	Great Britain.
Blacksmiths.....	\$0.2951	\$0.1740
Boiler makers.....	.2848	.1777
Brick layers.....	.5172	.2000
Carpenters.....	.3531	.2028
Comp. sitors.....	.4487	.1795
Hod carriers.....	.2863	.1250
Iron molders.....	.3036	.1787
General laborers.....	.1675	.1019
Machinists.....	.2707	.1877
Painters.....	.4429	.2027
Plumbers.....	.3450	.1774
Stone masons.....	.4579	.2078
Wages per hour for 12 classes.....	4.2071	2.0054

## RAILWAY LABOR DURING REPUBLICAN AND DEMOCRATIC ADMINISTRATIONS.

There is no better index to the industrial condition of a country than the amount of business done by the railways, and as the railways in this country employ over one and one-half million persons, the increase or decrease in traffic materially affects a large proportion of the population.

During the fiscal year ending June 30, 1896 (Cleveland's Administration), there were 826,620 railway employees in the United States, receiving a total yearly compensation of \$468,-824,531. In 1907, there were 1,672,074 railway employees receiving \$1,072,386,427. This shows an increase in 12 years of 845,454 railway employees and of over five hundred million dollars in aggregate salaries and wages. In other words, more than twice as many persons were employed by the railways in the United States on June 30, 1907, than on June 30, 1896, when the Democratic party was in power, and more than twice as much was paid in wages and salaries.

The following table shows the number of railway employees and the total and average salaries and wages paid in each class in 1896 and 1907:

*Number and total and average earnings of railway employees in the United States for the fiscal years ending June 30, 1896, and June 30, 1907, by occupation groups.*

[Compiled from the annual reports on the statistics of railways by the Interstate Commerce Commission.]

Occupation group.	Number.		Total earnings.		Average daily earnings.	
	1896.	1907.	1896.	1907.	1896.	1907.
General officers-----	5,372	6,407	\$12,497,957	\$17,231,606	\$9.19	\$11.33
Other officers-----	2,718	7,519	5,301,119	15,012,226	5.96	5.49
General office clerks-----	26,328	65,700	19,037,816	48,340,123	2.21	2.30
Station agents-----	29,723	35,619	17,053,117	24,831,036	1.73	2.05
Other station men-----	75,919	152,929	39,076,478	81,244,486	1.62	1.78
Engineers-----	35,851	65,298	41,354,307	87,496,778	3.65	4.30
Firemen-----	36,762	69,334	23,724,854	52,474,059	2.06	2.54
Conductors-----	25,457	48,869	24,758,485	55,847,244	3.05	3.69
Other trainmen-----	61,806	134,257	38,379,035	90,973,356	1.90	2.51
Machinists-----	29,272	55,244	19,312,746	46,475,695	2.26	2.87
Carpenters-----	38,846	70,394	22,948,585	49,082,659	2.03	2.40
Other shopmen-----	95,613	221,656	48,497,887	132,421,765	1.69	2.06
Section foremen-----	30,372	41,391	17,097,832	26,326,635	1.70	1.90
Other trackmen-----	169,664	367,277	54,521,113	135,793,476	1.17	1.46
Switch tenders, crossing tenders and watchmen-----	44,266	53,414	24,950,907	32,181,636	1.74	1.87
Telegraph operators and dispatchers-----	21,632	33,193	13,695,587	20,058,251	1.93	2.26
Employees—Account floating equipment-----	5,502	9,139	3,221,290	6,035,415	1.91	2.25
All other employees and laborers-----	88,467	228,324	43,398,416	129,551,951	1.65	1.92
Total-----	826,620	1,672,074	468,824,531	1,072,386,427		

## REPORTS OF STATE LABOR BUREAUS.

A number of State labor bureaus publish from year to year information showing, among other things, the number of persons employed in leading industries, the total and average wages paid employees, the value of products, etc. Unfortunately in many cases these annual statistics are not comparable, one year with another, because they do not relate to identical establishments or industries. As far as recent comparable figures were obtainable from State labor reports they are shown below. They include in all cases the latest available figures.

**Massachusetts Labor Reports.**

The annual statistics of manufactures in Massachusetts, published by the Massachusetts Bureau of Statistics of Labor, present reports from a large number of manufacturing establishments in the State, and each year compare conditions with the previous year, in the same establishments.

The following table compiled from the Massachusetts reports shows the percentage of increase or decrease each year over the year preceding in the same establishments, in the number of persons employed, the average yearly earnings per employee, and the value of goods made and work done:

*Percentage of increase or decrease in the number of employees, average earnings per employee, and value of goods made and work done in manufacturing establishments.*

[Compiled from the "Annual Statistics of Manufactures in Massachusetts," published by the Massachusetts Bureau of Statistics of Labor.]

Years compared.	Number of establishments reporting.	Persons employed.		Average yearly earnings per employee.		Value of goods made and work done.	
		Per cent of increase as compared with previous year.	Per cent of decrease as compared with previous year.	Per cent of increase as compared with previous year.	Per cent of decrease as compared with previous year.	Per cent of increase as compared with previous year.	Per cent of decrease as compared with previous year.
1888-1889	1,364	0.89		1.45		2.45	
1889-1890	3,041	2.70		1.58		4.37	
1890-1891	3,745	1.72		0.91		1.33	
1891-1892	4,473	4.53		1.51		5.37	
1892-1893	4,397		4.26		3.64		8.10
1893-1894	4,093		6.22		3.28		10.27
1894-1895	3,629	9.02		2.19		9.18	
1895-1896	4,609		2.94		.05		5.51
1896-1897	4,695	2.72			1.16	3.04	
1897-1898	4,701	1.80			0.18	4.62	
1898-1899	4,740	9.58		1.86		15.59	
1899-1900	4,645	3.77		2.80		8.51	
1900-1901	4,696	3.60		1.82		5.36	
1901-1902	4,658	6.46		2.29		8.66	
1902-1903	4,673	3.25		2.28		4.66	
1903-1904	4,730		2.73		0.87		0.90
1904-1905	5,010	7.66		1.02		10.55	
1905-1906	5,055	6.97		3.75		12.12	

**New Jersey Labor Reports.**

The thirtieth annual report of the Bureau of Statistics of Labor and Industries of New Jersey contains data relating to the wages paid and hours of labor observed in a number of identical establishments engaged in the building industry in Essex county for a period of years. This information, while lacking for several of the years included in the period covered, is nevertheless sufficient to indicate very clearly the decidedly upward trend of wages and the decreasing working hours in these establishments, which were selected as being representative of their class. The following tables present the facts:



*Wages and hours of labor in identical establishments in the building industry in Essex county, N. J., by years.*

[From the Thirtieth Annual Report of the Bureau of Statistics of Labor and Industries of New Jersey.]

Painters, decorators, and paperhangers.

Year.	Wages.		Hours of labor.	
	Per hour.	Per week.	Per day.	Per week.
1896-----	\$0.25	\$13.50	9	54
1897-----	.28	13.50	8	48
1898-----	.31 $\frac{1}{4}$	15.00	8	48
1900-----	.34	16.50	8	48
1903-----	.37 $\frac{1}{2}$	18.00	8	48
1906-----	.41	18.04	8	44

Carpenters.

Year-----	1891	1896	1897	1903	1905	1906
Hours of labor-----	9	9	8	8	8	8
Wages per day-----	\$2.50	\$3.00	\$3.00	\$3.28	\$3.60	\$3.80

Bricklayers and masons.

Year.	Wages.		Hours of labor.	
	Per hour.	Per week.	Per day.	Per week.
1890-----	\$0.33 $\frac{1}{3}$	\$18.00	9	54
1896-----	.41 $\frac{1}{2}$	24.00	8	54
1901-----	.50	24.00	8	48
1903-----	.55	24.20	8	44
1905-----	.60	26.40	8	44
1906-----	.65	28.60	8	44

**New York Labor Reports.**

Since 1897 the New York Bureau of Labor Statistics has collected data concerning the actual earnings of wage-workers through the officers of workingmen's organizations, reaching in this way thousands of wage-earners where few could have been reached by means of individual schedules.

The New York statistics are based on quarterly reports collected twice a year and thus cover one-half of each year. The following table shows the average earnings, with per cent of increase over 1897, and the average days of employment of organized workingmen for each of the years 1897 to 1906:

*Average earnings of organized workingmen, 1897-1906.*

[Compiled from the Twenty-fourth Annual Report of the Bureau of Labor Statistics of New York.]

Year.	Average quarterly earnings. (First and third quarters.)	Average earnings per day. (First and third quarters.)	Estimated average for year.	Per cent. of increase over 1897.	Average days of employment in year.
1897-----	\$162.50	\$2.56	\$650.00	-----	227
1898-----	169.49	2.66	678.00	4.31	232
1899-----	186.63	2.73	747.00	14.92	258
1900-----	179.11	2.70	716.00	10.15	246
1901-----	189.05	2.75	756.00	16.31	260
1902-----	191.33	2.75	765.00	17.69	264
1903-----	188.28	2.73	753.00	15.85	256
1904-----	186.20	2.76	745.00	14.62	258
1905-----	203.77	2.92	815.00	25.38	272
1906-----	218.96	3.07	876.00	34.77	278

The report from which the foregoing table was compiled states that "in 1897 the average wage for a day of work among organized wage-earners was \$2.53 or, taking the first and third quarters alone, \$2.56. In 1906, in the first and third quarters, the average per diem earnings of all members employed was \$3.07. In the ten years there had consequently been an average increase of 51 cents a day, which is almost exactly equivalent to 20 per cent. This result, which is based on actual earnings, is probably a close approximation to the general movement of wages in New

York in the past decade. The returns on which the statistics are based include nearly all occupations, except agricultural labor and domestic service, and there is little question that both of these classes of workers have gained similar advances."

The following table, which is taken from the same source, gives the percentage of working time in which organized workmen and women were employed and idle:

*Percentage of working time in which organized workingmen and women were employed and idle, 1897-1906.*

Year.	Employed.	Idle.
1897.....	73.8	26.2
1898.....	75.3	24.7
1899.....	83.6	16.4
1900.....	80.0	20.0
1901.....	84.4	15.6
1902.....	85.7	14.3
1903.....	83.1	16.9
1904.....	83.8	16.2
1905.....	88.3	11.7
1906.....	90.3	9.7

In 1897, when recovery from the industrial depression of 1893 was just beginning, wage-workers lost fully one-fourth of their income through unemployment of one kind or another. As the industrial revival gained headway the percentage of idleness decreased, with slight relapses in 1900, 1903, and 1904, when large numbers of the organized workmen were involved in labor disputes.

The following table, which is also compiled from the twenty-fourth annual report of the Bureau of Labor Statistics, shows the average earnings per day of organized workingmen for each of the years 1897 and 1902 to 1906, inclusive, in forty selected occupations:

*Average earnings of organized workingmen for each day of work in third quarter 1897 and 1902-1906; men only.*

Occupation.	Number reporting.	1897	1902	1903	1904	1905	1906
Bakers and confectioners.....	3,360	\$2.01	\$2.29	\$2.30	\$2.40	\$2.44	\$2.60
Barbers.....	2,289	1.71	1.81	1.83	1.94	1.98	2.07
Bartenders.....	3,734	1.87	1.97	2.11	2.16	2.22	2.27
Boilermakers and iron-ship builders.....	1,694	2.63	2.74	2.85	2.89	2.76	2.95
Bookbinders (all branches).....	2,293	2.92	3.06	3.00	3.02	3.07	3.12
Boot and shoe workers.....	2,492	1.94	1.97	2.12	2.16	2.19	2.42
Brewery workmen.....	6,816	2.45	2.69	2.61	2.66	2.68	2.67
Bricklayers and masons.....	12,881	3.81	4.65	4.55	4.73	5.11	5.06
Butchers.....	2,287	2.19	2.27	2.39	2.36	2.45	2.62
Cabinet makers.....	2,267	2.46	3.13	3.15	3.35	3.40	3.53
Carpenters and joiners.....	28,904	3.03	3.10	3.27	3.30	3.45	3.76
Cigar makers.....	7,743	1.56	1.89	1.92	1.90	2.01	1.98
Clerks and salesmen.....	1,639	2.19	2.04	2.10	2.19	2.24	2.26
Coat makers.....	2,518	1.86	2.32	2.40	2.44	2.14	2.41
Compositors.....	8,384	3.40	3.39	3.43	3.53	3.52	3.55
Conductors, railway.....	2,332	2.90	3.13	3.18	3.23	3.37	3.44
Electrical workers.....	4,854	2.61	2.78	3.34	2.89	2.92	3.20
Engineers, locomotive.....	4,137	3.64	3.83	3.73	3.77	3.94	3.92
Firemen, locomotive.....	4,114	2.16	2.29	2.43	2.53	2.53	2.66
Hod carriers.....	18,141	2.38	2.82	2.75	2.75	2.87	2.99
Housesmiths and bridgemen.....	2,403	2.48	3.71	4.32	4.36	4.38	4.28
Iron molders.....	7,266	2.56	3.06	3.00	2.98	3.04	3.22
Jacket makers.....	2,175	1.72	2.27	2.27	2.15	2.15	2.18
Lathers.....	2,172	3.00	3.79	3.44	4.38	4.92	4.70
Lithographers.....	2,153	3.41	3.76	3.77	4.09	3.87	4.04
Machinists.....	7,641	2.24	2.70	2.69	2.79	2.86	3.02
Painters and decorators.....	13,279	3.25	3.22	3.34	3.37	3.47	3.45
Pants makers.....	1,401	1.42	2.31	2.63	2.13	2.49	2.34
Piano and organ workers (all branches).....	2,234	1.70	2.58	2.69	2.61	2.54	2.51
Plasterers.....	6,161	3.32	4.81	5.29	5.31	5.46	5.53
Plumbers and gas fitters.....	5,881	3.49	3.67	3.72	3.79	4.34	4.21
Pressmen.....	3,131	3.43	3.07	3.21	3.13	3.10	3.50
Roofers, sheet metal workers.....	4,018	3.15	3.35	3.24	3.56	3.63	4.05
Stationary engineers.....	7,342	3.00	2.85	2.92	3.27	3.21	3.37
Stationary firemen.....	4,446	2.34	2.13	2.17	2.07	2.31	3.06
Stone cutters.....	3,033	3.74	3.85	4.11	4.23	4.35	4.49
Stone masons.....	1,937	2.33	3.82	3.91	3.95	4.13	4.29
Street railway employees.....	1,966	1.81	1.96	2.00	1.91	2.11	2.11
Tailors.....	2,470	2.09	2.19	2.38	2.46	2.66	2.44
Trainmen.....	6,638	1.96	2.12	2.24	2.26	2.29	2.43

## Pennsylvania Labor Reports.

The secretary of internal affairs of the State of Pennsylvania, in his report for 1905, publishes a series of tables showing comparative statistics in 710 identical establishments for the years 1896 to 1905. The following table has been compiled from this report:

*Comparative statistics of 710 identical manufacturing establishments, 1896 to 1905.*

[Compiled from the Thirty-third Annual Report of the Bureau of Industrial Statistics of Pennsylvania.]

Year.	Average persons employed		Aggregate wages paid.		Average yearly earnings per employee.		Value of product.	
	Number.	Per cent of increase as compared with 1896.	Amount.	Per cent of increase as compared with 1896.	Amount.	Per cent of increase as compared with 1896.	Amount.	Per cent of increase as compared with 1896.
1896	122,138	-----	\$16,736,124	-----	\$382.65	-----	\$169,806,501	-----
1897	127,461	4.4	47,852,604	2.4	375.43	11.9	182,572,176	7.5
1898	141,819	16.1	57,312,659	22.6	404.12	5.6	217,511,078	23.9
1899	163,683	34.0	70,944,181	51.8	433.42	13.3	287,635,100	69.4
1900	175,501	43.7	76,838,628	64.4	437.82	14.4	325,161,818	91.5
1901	183,183	50.0	82,160,337	75.8	448.52	17.2	331,927,196	99.7
1902	194,945	59.6	93,947,766	101.2	481.92	25.9	388,803,566	128.4
1903	203,838	66.9	98,259,805	112.0	482.04	26.0	366,231,118	129.8
1904	183,833	50.5	81,483,863	80.8	459.57	20.1	331,343,735	96.9
1905	202,401	65.7	97,463,104	108.6	481.51	25.8	400,311,210	135.7

a Decrease.

The following tables, compiled from the thirty-fourth annual report of the secretary of internal affairs, show the principal data for pig iron and tin plate production for the years 1896 to 1906.

*Comparative statistics of pig iron and tin plate production, 1896 to 1906.*

[Compiled from the Thirty-fourth Annual Report of the Bureau of Industrial Statistics of Pennsylvania.]

Pig iron.

Year.	Average persons employed.		Aggregate wages paid.		Average yearly earnings per employee.		Value of product.	
	Number.	Per cent of increase (+) or decrease (-).	Amount.	Per cent of increase (+) or decrease (-).	Amount.	Per cent of increase (+) or decrease (-).	Amount.	Per cent of increase (+) or decrease (-).
1896	11,580	-----	\$4,589,165	-----	\$396.30	-----	\$45,172,039	-----
1897	11,272	- 2.7	4,676,970	+ 1.9	411.92	+ 4.7	48,884,854	+ 8.2
1898	11,911	+ 5.6	5,268,503	+12.6	442.32	+ 6.6	53,331,228	+ 9.1
1899	15,347	+28.8	7,599,533	+44.2	495.18	+11.9	98,203,803	+84.1
1900	15,785	+ 2.8	8,500,194	+11.8	538.50	+ 8.8	105,449,923	+ 7.4
1901	14,749	- 6.6	8,646,479	+ 1.7	586.24	+ 8.9	106,883,000	+ 1.4
1902	17,101	+15.9	10,191,759	+17.9	597.95	+ 1.7	126,857,231	+18.7
1903	16,912	- 1.1	10,662,196	+ 4.6	630.45	+ 5.8	131,775,613	+ 3.9
1904	14,087	-16.7	7,909,335	-25.8	561.46	-10.9	101,830,467	-22.7
1905	16,747	+18.9	10,532,928	+33.2	628.94	+12.0	162,716,176	+59.9
1906	18,637	+11.3	12,063,556	+14.5	647.29	+ 2.9	187,909,541	+15.2

The enormous effort of the whole people as a Nation, and the burdens they gladly assume to maintain the national integrity, and to cut out the cancer of slavery that was eating away our national life, do not grow any less, from an historical standpoint, as the decades pass.—Hon. Wm. H. Taft, at Riverside Park, New York.



## Tin plate.

Year.	Average persons employed.		Aggregate wages paid.		Average yearly earnings per employee.		Value of product.	
	Num-ber.	Per cent of in-crease (+) or decrease (-).	Amount.	Per cent of in-crease (+) or decrease (-).	Amount.	Per cent of in-crease (+) or decrease (-).	Amount.	Per cent of in-crease (+) or decrease (-).
1896	3,194		\$1,437,226		\$456.55		\$4,637,811	
1897	3,922	+22.7	2,227,217	+54.9	568.17	+24.4	6,837,921	+47.4
1898	5,036	+28.5	2,943,954	+32.2	584.58	+2.9	9,344,235	+36.6
1899	7,682	+52.5	4,051,395	+37.7	527.78	-9.7	12,152,532	+30.1
1900	7,394	-3.7	3,526,934	-13.0	477.00	-9.6	12,590,897	+3.6
1901	8,183	+10.8	4,593,561	+30.2	561.01	+17.6	17,052,338	+35.2
1902	8,905	+8.8	4,506,105	-1.9	506.02	-9.8	16,116,755	-5.3
1903	8,261	-7.2	5,688,188	+26.2	688.56	+33.1	20,373,303	+26.4
1904	8,397	+1.6	5,135,828	-9.7	611.63	-11.2	18,504,353	-9.2
1905	8,280	-1.4	5,269,152	+2.6	636.37	+4.0	19,966,608	+7.9
1906	8,685	+4.9	6,180,265	+17.3	711.60	+11.8	23,722,553	+18.8

In the following table are shown the average yearly earnings of employees in identical establishments in twenty-five selected industries for the years 1896 and 1905, compared:

*Average yearly earnings of employees in identical establishments in 25 selected industries, 1896 and 1905.*

[Compiled from the Thirty-third Annual Report of the Bureau of Industrial Statistics of Pennsylvania.]

Industry.	Average earnings.		Increase in 1905 over 1896.	
	1896.	1905.	Actual.	Per cent.
Bookbinding.....	\$470.70	\$590.62	\$119.92	25.5
Brass, copper and bronze goods.....	407.01	547.01	140.00	34.6
Building and structural iron work.....	508.18	616.40	108.22	21.3
Carpets.....	346.63	422.88	76.25	22.0
Car springs, axles and railway supplies.....	413.76	505.71	91.95	22.2
Cotton goods.....	279.41	372.82	93.41	31.5
Cotton yarns.....	273.14	370.68	97.54	35.7
Edge tools.....	435.70	545.77	110.70	25.3
Foundries and machine shops.....	450.22	556.18	105.96	23.8
Hats and caps.....	296.23	394.80	98.57	33.3
Hosiery.....	237.59	311.98	74.39	31.3
Iron and steel forgings.....	473.61	642.76	169.15	28.6
Locomotives and cars built and repaired.....	485.43	628.88	143.45	29.5
Paper manufacture.....	381.90	483.41	101.51	26.6
Pottery.....	497.00	548.35	49.35	9.9
Shovels, scoops, spades, etc.....	399.23	570.47	171.24	42.9
Silk, ribbons.....	256.22	376.59	120.37	43.1
Slate roofing, etc. (tonnage).....	303.61	456.60	152.99	34.8
Stoves, ranges, heaters, etc.....	411.16	627.32	216.16	52.5
Tool steel, etc.....	554.04	851.62	297.58	53.5
Umbrellas and parasols.....	231.65	320.54	88.89	38.4
Upholstery goods.....	364.10	477.76	113.66	31.9
Window glass, bottles, and table goods.....	379.14	485.95	106.81	28.2
Woolen and worsted fabrics.....	277.04	396.45	119.41	42.8
Wrenches, picks, etc.....	428.91	563.55	134.64	31.4

**"OUT-OF-WORK BENEFITS" UNDER DEMOCRATIC AND REPUBLICAN ADMINISTRATION.**

Interesting evidence in corroboration of the figures published by the Federal Bureau of Labor is furnished by a statement of the out-of-work benefits paid by the Cigarmaker's International Union during the period 1890 to 1907. Nothing affords a clearer insight into the general condition of employment than does the amount expended by labor organizations in benefits to members who are temporarily out of work. In the following table, which has been reproduced from the Cigarmaker's Official Journal of date of April 15, 1908, is shown the total cost of

out-of-work benefits paid to members of that organization, and the total membership. By dividing this cost by the membership we ascertain the average cost per member. The figures are as follows:

*Out-of-work benefits paid by the Cigar Makers' International Union from 1890 to 1907.*

Year.	Total cost of out-of-work benefits.	Total membership of out-of-work benefit fund.	Average cost per member of out-of-work benefits.
1890 -----	\$22,760.50	24,624	0.92
1891 -----	21,223.50	24,221	0.88
1892 -----	17,460.75	26,678	0.65
1893 -----	89,402.75	26,788	3.34
1894 -----	174,517.25	27,828	6.27
1895 -----	166,377.25	27,760	5.99
1896 -----	175,767.25	27,318	6.43
1897 -----	117,471.40	26,347	4.46
1898 -----	70,197.70	26,460	2.65
1899 -----	38,037.00	28,994	1.31
1900 -----	23,897.00	33,955	0.70
1901 -----	27,083.76	33,974	0.80
1902 -----	21,071.00	37,023	0.57
1903 -----	15,558.00	39,301	0.40
1904 -----	29,872.50	41,536	0.72
1905 -----	35,168.50	40,075	0.88
1906 -----	23,911.00	39,250	0.61
1907 -----	19,497.50	41,337	0.47

This table presents several significant facts. From 1890 to 1892 the cost per member for out-of-work benefits decreased from \$0.92 to \$0.65. In March, 1893, the Democratic administration came into power. The cost per member increased in that year to \$3.34, then to \$6.27, then a slight drop to \$5.99 and a rise again in 1896 to \$6.43 per member. In March, 1897, the Republican administration returned. The cost per member during that year fell to \$4.46, and as business confidence was gradually restored and employment became more general, it continued to decline until in 1903 it was reduced to but \$0.40 per member. In 1904 and 1905 there was a slight increase, which was followed in 1906 by a decline that continued through 1907, the cost of out-of-work benefits during that year being \$0.47 per member. *Thus while from 1896 to 1907 the total membership increased from 27,318 to 41,337, or 51 per cent, the total cost for out-of-work benefits decreased from \$175,767.25 to \$19,497.50, or 89 per cent.*

## REPUBLICAN LABOR LEGISLATION.

### Federal Legislation.

Since its very inception the Republican Party has been legislating in every Congress for the uplifting of labor and the bettering of conditions for all working classes. Through our Tariff laws the working people of the United States have been protected against the cheaper labor of the outside world, and wages to-day are from two to ten times the amount received elsewhere. Through our financial legislation the wage-earner has always received a full dollar, and his savings and investments have been fully protected. Not only have wages constantly increased and hours of labor been reduced, but sanitary conditions have been constantly improved and inspection and liability laws have given to our workingmen and women conditions and advantages better, very much better, than in any other country.

All the great National Labor laws on our statute books were put there by the Republican Party. Among the principal ones are the following:

*Slavery.*—The great revolution which exalted labor and freed the country from the curse of slavery was accomplished by the Republican Party, against the fiercest opposition possible by the combined forces of the Democrats and their allies. Still true to

its original ideas of freedom, the Republican Party, after a lapse of forty years since the emancipation proclamation of Lincoln, abolished slavery in the Philippine Islands. (Act passed by a Republican Senate and Republican House and signed by President Roosevelt July 1, 1902.)

*Involuntary Servitude of Foreigners.*—In 1874 the Forty-third Congress, which was Republican in both Houses, prohibited, under heavy penalties, the holding to involuntary services of any person forcibly kidnapped in any other country.

*Peonage.*—The act abolishing this kind of forced labor was passed by the Thirty-ninth Congress, when both Houses were Republican by a large majority, March 2, 1867.

*The Coolie Trade.*—The legislation prohibiting the coolie trade is the work of the Republicans. The Act of 1875 closed our doors to the paupers and criminals of Europe, and the Exclusion Act of 1882 stopped the immigration of the Chinese. Upon the annexation of Hawaii in 1898 the immigration of Chinese thereto was prohibited by a Republican Congress, as was the migration of those already in Hawaii from the islands to continental United States. In President Roosevelt's Administration the Chinese-exclusion laws have been extended to the entire island territory of the United States. (Act passed by the Fifty-seventh Congress and approved April 29, 1902.)

*Immigration.*—The Republican Party has favored the American standard of living, not only by abolishing compulsory labor, but also by excluding the products of the cheapest foreign labor through protective tariffs and by restricting the immigration of unassimilable elements from other races.

The importation of foreign laborers under contract was first prohibited in 1885, but, owing to defective provisions for enforcing the law, continued almost unchecked until the amendments made in President Harrison's administration. (Acts of the Fifty-first Congress, which was Republican in both branches, and of the Fifty-second Congress, signed March 3, 1891, and March 3, 1893, respectively.)

The Republican Party has increased the restrictions upon the immigration of cheap foreign labor in the new law of 1903. (Act passed by the Fifty-seventh Congress, both Houses being controlled by the Republicans, and signed by President Roosevelt March 3, 1903.)

*Convict Labor.*—The law abolishing the contract system of labor for United States convicts passed the House March 3, 1886, and the Senate February 28, 1887. All the votes against the bill were Democratic.

The law providing for the construction of new United States prisons and the employment of convicts therein exclusively in the manufacture of such supplies for the Government as can be made without the use of machinery was passed by the Fifty-first Congress, which was Republican in both branches, and signed by President Harrison. (Chapter 529 of the Acts of 1890-91.)

*Protection of Seamen.*—This was accomplished by the Forty-second Congress, when both Houses were Republican, and the Forty-third Congress, also Republican.

*Inspection of Steam Vessels.*—Accomplished by the Fortieth Congress, which was controlled by the Republicans.

*Inspection of Coal Mines in the Territories.*—Provided for by the Fifty-first Congress, both Houses being under the control of the Republicans; approved by President Harrison.

*Safety Appliances on Railroads.*—The original act providing for automatic couplers and power brakes on locomotives and cars used in interstate traffic was passed by the Fifty-second Congress, and signed by President Harrison March 2, 1893. Owing to decisions of the courts, new legislation became necessary, and the Fifty-seventh Congress (Republican) passed a greatly improved law, which was signed by President Roosevelt March 2, 1903.

*Report of Accidents.*—The Fifty-sixth Congress (Republican) passed a law requiring common carriers to make monthly reports of accidents to the Interstate Commerce Commission. (Approved by President McKinley March 3, 1901.)

*Eight-Hour Law.*—The first eight-hour law in this country was enacted by the Fortieth Congress and approved by President Grant in 1868. It applied to all artisans and laborers employed by the Government.



In the Fiftieth Congress (1888) the eight-hour day was established for letter carriers. The bill passed the Senate, which was Republican, without division.

In President Harrison's administration the eight-hour law was extended to include persons employed by contractors on public works. (Chap. 352 of the Acts of 1892.)

*Department of Labor.*—The Act creating the United States Bureau of Labor was passed by the Forty-eighth Congress (1884) and signed by President Arthur. In the Fiftieth Congress (1888) the Bureau was removed from the Department of the Interior and made an independent Department of Labor, all the votes cast against the bill being Democratic. In 1903 a Republican Congress established the Department of Commerce and Labor and made its head a Cabinet officer.

*Boards of Arbitration.*—Act passed at the Fifty-fifth Congress (Republican) and signed by President McKinley June 1, 1898.

*Incorporation of National Trades Unions.*—Provided for by Act of Congress in 1886.

*Recent Legislation.*—It is within bounds to say that no previous sessions of Congress have displayed a more active or intelligent interest in the needs of the wage-earners than the past three sessions, nor has there heretofore in the same length of time been as much important and progressive legislation in the interests of this class of our fellow-citizens.

Congress has wisely co-operated with and supplemented the work of the Department of Commerce and Labor by enacting a law for the better protection of seamen and to prevent their being induced to ship through false representations. It has provided for an investigation into the conditions of working women and children; it has amended and strengthened the law to prevent the importation of contract labor, and provided a plan for the further exclusion of that class of Asiatic immigration which enters into competition with American workmen. It has enacted a law limiting the hours of labor of employees engaged in railway train service and of railway telegraphers.

The Congress just closed re-enacted the law passed by the Fifty-ninth Congress to conform to the opinion of the Supreme Court, making common carriers liable for accidents to their employees engaged in interstate commerce. It has enacted a law for the further protection of the life of railroad employees in their hazardous employment. It has provided compensation for laborers and mechanics who may be injured in the service of the government, and making a provision for their families in the event of their being killed in the course of their employment. It has enacted a model child-labor law for the District of Columbia. It has directed a thorough investigation into the working conditions of the employees of the telegraph and telephone companies doing interstate business; and, in response to the urgent appeal from both capital and labor, Congress, before its adjournment, appropriated \$150,000 for an investigation into the cause of mine accidents, with a view of promoting the safety of workers in our mines.

*Safety of Employees on Railroads.*—*The Ashpan Act.*—An act to promote the safety of employees upon railroads by requiring common carriers engaged in interstate or foreign commerce by railroads to equip their locomotives with automatic self-dumping and self-cleaning ash pans was passed by Congress on May 30, 1908, the author of the measure as well as its chief supporters being of the Republican party.

The following are some of the principal acts of legislation by the Republican Party:

1. The Homestead Law, passed by a Republican Congress and signed by Abraham Lincoln.
2. The acts for the issuance of legal tenders and national bank notes, which gave the people a currency of equal and stable value in all parts of the country.
3. The system of internal revenue taxation, by which approximately one-half of the ordinary expenses of the Government have been visited upon malt and spirituous liquors, tobacco and cigars.
4. The thirteenth amendment to the Constitution, which abolished slavery.

5. The fourteenth amendment, which created citizenship of the United States as distinguished from citizenship of the several States, and provided that no State should abridge the privileges or immunities of citizens of the United States.

6. The fifteenth amendment, which established equality of suffrage.

7. The Civil Rights Act, which extended to all persons the equal protection of the laws.

8. All existing laws for the payment of pensions to veterans of the Civil War and their surviving relatives.

9. The liberal legislation respecting mineral lands, which built up the mining industry, added enormously to the wealth of the country in the precious and semi-precious metals, and made it possible to resume specie payments.

10. The resumption of specie payments.

11. The reduction of postage, the money-order system, the establishment of the Railway Mail Service, free delivery, Rural free delivery, and other improvements that make the Post-Office Establishment of the United States the most efficient agency of that character that can be found on the globe.

12. The Life-Saving Service.

13. The artificial propagation and distribution of fish.

14. The distribution of seeds and other measures of vast importance in the promotion of agriculture.

15. The endowment of public schools, agricultural colleges etc., by grants of land from the public domain.

16. The Administrative Customs Act, which insures justice and equality in the collection of duties.

17. The International Copyright Law, which respects the rights of authors in the product of their brains, but at the same time protects our publishing industry by requiring that books shall be printed in this country to entitle them to copyright.

18. The establishment of the Circuit Court of Appeals, to relieve the Supreme Court and no longer require litigants to suffer a delay of three or four years in securing a decision on appeal.

19. The admission of the States of Kansas, Nebraska, Nevada, Colorado, North and South Dakota, Washington, Montana, Idaho, Wyoming and Oklahoma.

20. The Anti-Trust Act. (This was drawn by Senators Sherman and Edmunds, and introduced by the former. In the House its passage was secured by William McKinley against an attempt to have it sidetracked in behalf of a bill for the free coinage of silver, which received the vote of every Democratic member with one exception. So it may be said that the law was placed upon the statute books over the united opposition of the Democratic Party as represented in the House.)

21. The National Bankruptcy Acts of 1867 and 1898, which relieved many thousands of unfortunate men from their burdens of debt and restored them to commercial or industrial activity.

22. The establishment of the Gold Standard, which placed our monetary system on a stable basis and in harmony with the great nations of the world.

23. Every schedule of duties on imports adopted within the past fifty years, in which the policy of protection to American labor has been distinctly recognized and efficiently applied, has been the product of a Republican Congress.

24. Railway rates to be fixed by enlarged Interstate Commerce Commission; rebates and other discriminations penalized; sleeping cars, express companies and pipe lines made common carriers; railway passes prohibited.

25. Panama Canal to have 85-foot level, with locks; Panama Canal bonds to enjoy same privileges as all other United States bonds; Panama Canal supplies to be domestic products.

26. Pure Food: Label must tell the truth, especially on popular remedies.

27. Meat inspection, "from hoof to can," at Government expense.

28. Free alcohol, denatured, for use in the arts.

29. Consular service reorganized on merit basis.

30. Quarantine against yellow fever nationalized.

31. Financial law whereby banks in periods of financial stringency may issue currency to the amount of \$500,000,000, de-



positing as security therefor bonds, commercial paper or other assets, such emergency currency being so taxed as to insure its retirement as soon as the stringency has passed.

32. National monetary commission created to devise a sound monetary system for the Government.

33. Consular service reorganized, abolishing unnecessary consuls and consulgeneralships and establishing those most needed.

34. Widows' pensions increased from \$8 to \$12 a month and certain unnecessary restrictions abolished.

35. Importation of impure tea, tea siftings, etc., prohibited.

36. Model child labor law for District of Columbia.

37. Employers' liability law.

38. Government compensation law, providing compensation to certain federal employees for injuries received in line of duty.

37. Restrictions on lands of the Five Civilized Tribes removed, adding \$150,000,000 to taxable property of Oklahoma.

#### **Rigid Enforcement by the Administration of the Eight-hour Law.**

[Extract from letter of Attorney-General MOODY to all United States District Attorneys, November, 1906.]

"By order of the President your attention is called to the provisions of 'An Act relating to the limitation of the hours of daily service of laborers and mechanics employed upon the public works of the United States and of the District of Columbia,' approved August 1, 1892, commonly known as the eight-hour law.

"The Government is determined upon a strict enforcement of this statute and you are directed diligently to investigate all complaints which may come to you from any source of violations of this law, and upon your own initiative to make investigation if there appears to you to be any reasonable ground for suspecting violation of this law. In every case in which you will secure sufficient evidence you will submit that evidence to the Grand Jury, with a view to securing an indictment.

\* \* \* \* \*

"I desire to impress upon you the importance of using every effort to execute these directions; of being vigilant and active in this matter. You will make prompt and full report to me of all cases, and your action thereon, with your reasons therefor. You will report immediately the action of the Grand Jury and the result of all trials, with a specific statement of the penalty imposed."

#### **State Legislation.**

A political party must be judged not by what it proposes to do, but by what its adherents actually accomplish when in office. The laws which the representatives of a party enact as legislators, rather than the party platforms, are the true index to the real policy of that party. The Democratic party has for many years posed as the friend of the workingman, and during the present campaign special emphasis will be given to this pretension. Let us see, therefore, what the two parties have actually done in the way of legislation for the protection of the wage-worker.

According to the provisions of the Constitution, labor legislation is almost entirely within the province of the individual States, the powers of the Federal Government being restricted in this respect to employment in the Government service or Federal public works and in interstate commerce, to seamen, to immigration, etc. We must, therefore, draw our conclusions mainly from the labor legislation enacted by the several States. For the purpose of the present study States having Republican legislatures at the present time are regarded as Republican States and vice versa.

A study of the history of labor legislation in the United States will disclose the fact that nearly all such legislation originated in Republican States and was afterwards adopted by the Demo-



cratic States. At the present time the statute books of the different States show a decided preponderance of protective labor legislation in the Republican as compared with the Democratic States. This is brought out in the following summary table, which shows the number and per cent of Republican and Democratic States which have enacted each of the important classes of labor laws indicated:

Legislation in force January 1, 1908.	Republican States.		Democratic States.	
	Number.	Per cent of all Republican States.	Number.	Per cent of all Democratic States.
Creating labor bureaus.....	26	87	7	44
Creating factory inspection services.....	23	77	6	37½
Providing for free employment bureaus.....	13	43	2	12½
Providing for boards of conciliation and arbitration.....	18	60	4	25
Establishing a compulsory 8-hour day for labor on public works.....	16	53	2	12½
Prohibiting employment of children under 14 years of age in factories.....	23	77	4	25
Limiting hours of labor of children.....	24	80	13	81
Restricting employment of children of school age and of illiterate children.....	26	87	9	56
Prohibiting night work by children.....	18	60	10	62½
Prohibiting employment of children in operating or cleaning dangerous machinery.....	12	40	3	19
Limiting hours of labor of women.....	15	50	6	37½
Requiring seats for females in shops or mercantile establishments.....	23	77	10	62½
Regulating sweatshops.....	10	33	2	12½
Requiring wages to be paid weekly, fortnightly or monthly.....	17	57	5	31
Protecting members of labor organizations.....	14	47	1	6
Protecting the union label.....	23	93	12	75

An examination of these tables presents an interesting lesson in practical politics. We shall take up in rotation each of the more important subjects of labor legislation, and see which States have done the most for the workingman.

#### Labor Bureaus.

There are few agencies which have done more toward giving a clear insight into the problems of labor and capital, that have brought employer and employee nearer together, or that have furnished the laboring people with facts for arguments in favor of protective legislation, than bureaus of labor and labor statistics. The above table shows that at present there are 33 State labor bureaus in the United States. Of these 26 are in Republican and 7 are in Democratic States. Reducing these figures to a proportionate basis, we find that 26 out of 30 Republican States, or 87 per cent, have labor bureaus; 7 out of 16 Democratic States, or 44 per cent, have labor bureaus.

#### Factory Inspection Service.

It is well known to all working people that protective labor laws are practically a dead letter in any State unless there is a factory inspection service organized for the purpose of searching out and bringing to justice persons who violate such laws. It is easy enough to enact protective legislation, but it is another thing to enforce it. If a State, therefore, enacts such laws and fails to organize a service for their enforcement, it is deceiving those whom it pretends to favor. Let us again observe the tables. We find that 23 out of 30 Republican States, or 77 per cent, have laws creating factory inspection services. We also find that 6 out of 16 Democratic States, or 37½ per cent, have factory inspection services. In examining the other subjects of labor legislation which follow, we must not lose sight of the fact that only 6 of the Democratic States have made provision for factory inspection services for the purpose of carrying out the provisions of the labor laws which will be under consideration.

### Free Employment Bureaus.

The movement to establish free public employment bureaus, where working people in search of work and employers desiring help might be brought together without expense to either, was started in Ohio by the passage of a law requiring the labor bureau of that State to establish agencies in the leading cities. Other States followed Ohio's example, until at present laws providing for such agencies have been enacted in 15 States. Of these 13 are Republican and 2 are Democratic.

### Boards of Arbitration and Conciliation.

Twenty-two States have enacted laws providing for either State or local boards of conciliation and arbitration. Of these 18 are Republican and 4 are Democratic States.

### Eight-hour Law.

For many years labor organizations have been endeavoring to secure legislation prohibiting labor on government works or public contracts for more than eight hours per day. At the present time 18 of the 46 States have such laws on their statute books. Of these 16 are Republican and 2 are Democratic. In addition to these 4 Republican States and 1 Democratic State have laws declaring eight hours to be a legal working day in the absence of a contract.

### Child Labor.

Ever since the introduction of the factory system, over a century ago, the greatest sufferers from the greed of inconsiderate and cruel employers have been the helpless children, who often at a tender age are placed in factories. It is a principle recognized in all civilized countries that children under 14 years of age should not be employed in factories, and nearly all civilized countries have laws placing a minimum age limit of 14 years upon such child labor. In our country 27 States prohibit the employment of children under 14 years of age in factories. Of these, 23 are Republican and 4 are Democratic States.

Many States have enacted laws placing certain restrictions upon the employment of children, usually 16 years of age, and in some cases even upon the employment of all minors. Of this class are laws limiting the hours of labor of children in factories or stores, which have been enacted in 37 States. Of these 24 are Republican, and 13 are Democratic States.

Thirty-five States have placed restrictions upon the employment of children of school age or of illiterate children, of which 26 are Republican and 9 are Democratic.

Twenty-eight States prohibit night work by children. Of these 18 are Republican and 10 are Democratic States.

Fifteen States prohibit the employment of children in operating dangerous machinery or cleaning machinery in motion. Of these 12 are Republican and 3 are Democratic States.

### Woman Labor.

Next to the children, the greatest victims of abuse by inconsiderate employers when unrestrained by law are women. Investigations have shown that their condition is sometimes pitiful where employers are given free scope in their employment. Their protection, in the interests of humanity and morals, has also been the subject of legislation in nearly all civilized countries. In the United States 21 States have enacted laws which limit the hours of labor of women. Of these 15 are Republican and 6 are Democratic States.

*It is interesting to notice that of the 15 Republican States limiting the hours of labor of women, 12 provide for factory inspection, while of the 6 Democratic States mentioned, only 3 make such provision.*

### Seats for Females in Shops.

Legislation on this subject needs no comment. Any man who has a sister or daughter employed in a shop or store, and every

physician, knows what a hardship it is to a woman to be compelled to stand all day at a bench or behind a counter. Fortunately, in 33 States legislation has been enacted requiring employers to provide seats for females. Of these 33 States, 23 are are Republican and 10 are Democratic.

#### **Sweatshop Legislation.**

There is no greater menace to the health of the working people and nothing which tends more to lower and degrade human beings, than to crowd them together in small, filthy workshops, where they are often compelled to work, eat and sleep without regard to health or morals, and where the hours of labor are often so long that the victims, who are usually foreigners unacquainted with our language, are shut out from all opportunities for education or betterment of any kind. The scenes observed in these shops by official investigators have been revolting beyond description. Long ago efforts have been made to regulate these sweatshops, and 12 States have enacted laws looking to this end. Of these 12 States 10 are Republican and 2 are Democratic.

#### **Wage Payments.**

In order to insure the prompt payment of workmen's wages in cash when due, 22 States have enacted laws requiring employers to pay wages weekly or fortnightly, and in some instances prohibiting a longer interval than one month between pay-days. Of these 17 are Republican and 5 are Democratic.

#### **Protection of Members of Labor Organizations.**

Fifteen States have enacted laws, that are now in force, prohibiting employers from discharging persons on account of membership in labor organizations, or from compelling persons to agree not to become members of labor organizations as a condition of securing employment or continuing in their employ. Of these all but one are Republican States.

#### **Protection of the Union Label.**

Forty States have passed laws allowing trade unions to adopt labels or trade-marks to be used to designate products of the labor of their members, and prohibiting the counterfeiting or the use of such labels or trade-marks by unauthorized persons. Of these States 28 are Republican and 12 are Democratic.

**This is an era of great combinations both of labor and of capital. In many ways these combinations have worked for good, but they must work under the law, and the laws concerning them must be just and wise or they will inevitably do evil; and this applies as much to the richest corporation as to the most powerful labor union.—President Roosevelt at Charleston, S. C., April 9, 1902.**

**That whenever the need arises there should be a readjustment of the tariff schedules is undoubted; but such changes can with safety be made only by those whose devotion to the principle of a protective tariff is beyond question, for otherwise the charges would amount not to readjustment but to repeal. The readjustment when made must maintain and not destroy the protective principle.—President Roosevelt's speech accepting 1904 nomination.**

**Efficient regulation is the very antidote and preventive of socialism and government ownership. The railroads, until now, have been permitted to wield without any real control the enormously important franchise of furnishing transportation to the entire country. In certain respects they have done a marvelous work and have afforded transportation at a cheaper rate per ton, per mile, and per passenger, than in any country in the world. They have, however, many of them, shamefully violated the trust obligation they have been under to the public of furnishing equal facilities at the same price to all shippers. They have been weighed in the balance and found wanting. The remedy for the evils must be radical to be effective. If it is not so, then we may certainly expect that the movement toward government ownership will become a formidable one that cannot be stayed.—Hon. Wm. H. Taft, at Columbus, Ohio.**





## HON. WILLIAM H. TAFT'S RELATIONS TO UNION LABOR.

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No class of citizens is more deeply interested in the records of presidential candidates than union workmen. They want the simple facts with regard to each man, and it is especially incumbent upon them not to form opinions on insufficient evidence, and to consider whether a candidate's record is one of achievement or only of promise. Actions may not be more eloquent than words, but they are more convincing. Trade unionists, like other people, will never know their friends until they put them upon trial; and when a man is tried he should be judged by his whole course of action, and not by one isolated event over which there may be a difference of opinion even among trade unionists. If the candidate has had opportunity to do things, has he done them? And in the doing, has he been fearless and fair towards all classes of citizens? For trade unionists want neither charity nor favor; they want opportunity and justice.

Next to the churches and the schools, trade unionism has done much to raise the standard of American citizenship. It has said: "Suffer little children to come into the school house and the church and not into the factory and mine," and it has given to their progenitors higher wages, shorter hours, more sanitary conditions of living and greater security to life and limb—all of which have been shared by union and non-union workers; that is to say, the union workers have fought the battles, carried the burdens and made the sacrifices, and society as a whole has benefitted. It has said: "The laborer is worthy of his hire, even though the laborer be a woman." It has at times been led by bad men, but the organization that is composed of saints has not yet taken out its charter. It has made mistakes, but the man or the institution that does not make mistakes does not make anything. This is no argument, however, in favor of the making of heedless blunders, and a blunder would be made if one who has successfully met many public trusts and discharged duties of a high national and international significance, and who has ever been prompted by motives of the highest regard for the welfare of the producing people of this nation, should be credited by organized labor as being now, or ever having been, inimical to their interests. Secretary Taft's whole public career, and it is an extensive one, contains no incident in which he has ever, by word or act, arrayed himself against the principles of trade unionism. On the contrary, he has been its consistent friend and advocate. His record shows that not only were his sympathies with the organization, but that his actions were those of a friend many years before either he or the American people had thought of him as a Presidential possibility.

### Misquoted and Unjustly Judged.

Probably no judge has ever been more misquoted and unjustly judged by trades unionists than Judge Taft. His many decisions in favor of labor organizations have been minimized to such an extent that one is prompted to inquire if those who have exploited his record before labor organizations were not more interested in the welfare of some political party than in the interests of their labor organizations. Trade unionists should stand together, without regard to party, in contending for everything that will legitimately advance their principles, and should credit an honest judge with doing his duty, even though his decisions be adverse to them, so long as they are in accordance with the law of the land. His decisions, of course, may not voice the opinion of the judge; *he does not make the law*. On the other hand, there is no decision by Judge Taft that can be cited that indicates personal antipathy or a personal unfriendliness on his part to labor organizations.

**Some of the Public Actions of William H. Taft Especially  
Helpful to Organized Labor.**

The words of Judge Taft in the Arthur and Phelan cases, in 1893-4, setting forth the rights of labor organizations under the law, were invoked and applied in favor of labor unions in the case of the strike on the Wabash Railroad in 1903, and an injunction against the union dissolved.

In 1894, in adjudging Phelan guilty of contempt for disobeying the injunction secured to prevent interference with the operation of the Cincinnati-Southern Railway and to keep open interstate commerce, Judge Taft, in determining the limits of labor organizations, made a notable statement of the extent of the rights of labor which has since been frequently and successfully quoted by those contending in the interests of union labor.

In 1899 Judge Taft became the champion of the cause of union labor in the Narramore case, and as a judge of the U. S. Circuit Court of Appeals, reversed the decision of the court below and wrote an opinion that has finally become, in spirit and in letter, the established law not only of Ohio, but of the nation. He took an impregnable position against precedents and numerous decisions which had declared, in effect, that, where an employer was violating the law with regard to the use of safety appliances, an injured workman could not recover damages because he was supposed to know of the violation, and to assume all risks consequent thereto.

As Governor-General of the Philippines, he encouraged the organization of workmen into unions that should be organized on American lines, and pardoned a labor leader who had been convicted under an old Spanish law for "conspiring to raise the wages of labor."

As Governor-General Mr. Taft refused to accede to the demands of corporations and other employers to permit the introduction of cheap Chinese labor into the islands, and unequivocally declared himself against bringing the workmen of our new dependencies or those in our own land, into competition with the cheaper labor of the civilizations lower than our own.

**Mr. Taft's Decisions Relative to Labor.**

Frederick N. Judson, the attorney for the Railroad Brotherhood in the Wabash case, says:

"There is no foundation, therefore, for the suggestion that the decisions of Judge Taft were in any sense unfriendly to labor."

One should read in the Review of Reviews for August, 1907, what Mr. Judson says of the whole series of Judge Taft's labor decisions. The first of these decisions was delivered by Judge Taft in 1890 in the case of Moores vs. Bricklayers' Union et al. This case involved the application of the law to what is known as a secondary boycott; that is, *a boycott not against an employer, but against a third party dealing with an employer, who is a stranger to the controversy between the employer and the employee.*

Moores had sold lime to the employer, Parker Brothers, who had been boycotted by the union. Parker Brothers had been boycotted because of their refusal to pay a fine imposed upon one of their employees and to reinstate a discharged apprentice. Moores, the plaintiffs, had been awarded damages by the jury on account of this secondary boycott, and it was this judgment of damages that was affirmed on appeal in an opinion by Judge Taft. This decision has been accepted as the correct exposition of the law; and the secondary boycott, that is, a boycott against a stranger to the trade dispute, has been practically abandoned by intelligent labor unionists as an unreasonable weapon. In other words, it has been conceded by the ablest labor leaders that it is not good policy to punish one's friends—employers who are running union shops—for the purpose of defeating one's enemies.

The labor decisions of Judge Taft while on the Federal bench related directly to the Federal character of such controversies, involving the power of the Federal Government to protect interstate commerce. There were only two such cases decided by him. The first of these was decided April 3, 1893, and was in the matter of the strike of the engineers of the Toledo and Ann Arbor Railroad. The engineers on strike refused to handle cars from complainants' road as long as the strike of the engineers on that road was unsettled. It is obvious that this action involved a paralysis of the business of interstate commerce. The Toledo



road thereupon applied for an injunction against the connecting roads, alleging a combination violative of the interstate commerce act. The engineers of the defendant company had no grievances of their own; and their refusal to handle the freight of complainant's company was in no sense a strike for the betterment of their own conditions of service. Judge Taft's decision sustaining the injunction was accepted by the Railroad Brotherhood as a fair statement of the law under the peculiar conditions of the railroad service.

In the following year, 1894, came the great railroad strike inspired by the American Railroad Union, growing out of the strike of the Pullman employees at Pullman, Illinois. The officials of the union demanded all railroads to boycott Pullman cars and to declare a strike of employees on any railroad on their refusal to declare such a boycott. The Cincinnati Southern, an interstate railway, was in the hands of a receiver, and it applied to the court for protection against one Phelan (a Socialist), an official of the American Railway Union, who was engaged in inciting a strike among the employees of the road. There was no complaint by the employees of this road. The demand was that all traffic should be suspended and business paralyzed, union shops closed, and union industries destroyed, if necessary, until all the roads should consent not to carry Pullman cars. The purpose was to starve the public into compelling the Pullman Company to do something which the public had no right to compel it to do, and in the doing of this to inflict irreparable injury upon many industries employing union workmen and working union hours. 'If the unions had won in this strife, would not the price have been too great for the object attained? Phelan had used language defying the order of the court. After a hearing he was adjudged guilty of contempt in an opinion by Judge Taft, who at the same time emphasized the fact that employees had the right to quit their employment, but that they had no right *to combine to injure their employer in order to compel him to withdraw from a mutually profitable relation with a third party for the purpose of injuring the third party*, when the relation thus sought to be broken had no effect upon the character or reward of their services. But as the purpose of the combination was to tie up interstate railroads, not as the incidental result of a lawful strike for the betterment of the employees' own condition, but as a means of injuring a third party, it was an unlawful combination violative of the anti-trust act of 1890. Thus, if Phelan had urged a strike for higher wages, or to prevent the lowering of wages, he would not have been liable for contempt, but he had no right to incite men to quit when they had no grievance of their own to redress, for it was then essentially a boycott and not a strike.

The words of Judge Taft in the Phelan case, setting forth the rights of labor organizations under the law, were invoked and applied in favor of the labor unions in a notable case, that of a strike on the Wabash Railroad by the Brotherhoods of Railroad Trainmen and Firemen in 1903. The two brotherhoods, after failing to secure the advance wages and betterment of conditions demanded, had called a strike, and thereupon an injunction was filed by the railroad company against the officers of these brotherhoods. *The rights of organization and of representation, as set forth by Judge Taft, were made the basis of the argument by the attorney representing the brotherhoods, and the injunction was dissolved.* It was said in the opinion rendered by Judge Adams that on the subject of the organization of labor and the rights of labor unions no one had spoken more clearly and acceptably than Judge Taft.

#### The "Assumed Risk" Decision.

One of the most notable services that Judge Taft rendered to organized labor while presiding over a court was with relation to "assumed risk" and "contributory negligence" on the part of a workman attempting to recover damages from an employer for injuries received while in the service of the latter. In 1895 the Supreme Court of Ohio, consisting of six judges, decided that Morgan, a coal miner, could not recover damages for injuries

received in the explosion of the fire damp, notwithstanding the fact that the State required the mine owners to keep their mines free from fire damp; that Morgan knew the company ignored the law, and therefore in accepting service with them he could not recover damages. A similar decision had been made in several other cases. Judge Speer, who wrote the opinion in the Morgan case, said:

"One who voluntarily assumes a risk thereby waives the provision of a statute made for his protection."

Not only did this decision place a premium upon lawbreaking, but it rendered nugatory a very law, made for the protection of the laboring classes, that was not respected by the employers. Only a law-observing employer was liable to damages. The labor organizations introduced a bill in the General Assembly of Ohio to abolish this infamous doctrine of assumed risk, but through the power of the railroads and other corporations and large employers it was referred to a hostile committee and there buried.

And now we come to the Narramore case, in which Judge Taft became the champion of the injured workman, and wrote a decision that, notwithstanding reversals in the higher courts and the bitter opposition of those who were opposed to abrogating the old doctrines, finally became in spirit and in letter the established law not only of Ohio, but of the nation.

Narramore was a locomotive man. His foot became tightly wedged in an unblocked frog, which was left open contrary to the law of the State, and he was run down by a train and left a cripple, with a wife and children to support. The company was indifferent to the sufferings of the man and his family, and a suit was filed. The decision was against him, the railroad basing its defense on the decision in the Morgan case. The court in substance said that Narramore knew that the company violated the law with regard to blocking of frogs; that this violation was so agrant and open that Narramore was bound to know of it; and that even though he was free from fault himself, still he had no use, as he had assumed the risk of working under the conditions as he saw them. Narramore's case was then carried to the United States Circuit Court of Appeals, presided over by Judge William H. Taft. Here at last was a judge who was broad enough to look beyond the moldy precedents of the dark ages. He overthrew the barbarous doctrine of "assumed risk," and gave to the workman in every dangerous vocation the rights that had so long been withheld from him. This decision of Judge Taft as the advance agent of blocked frogs, covered cogwheels, and guarded machinery. It eventually led to the resurrection of all the laws of Ohio that had been enacted for the protection of working men and women and which had been nullified by the action of the Supreme Court in the Morgan case. He said in part:

"The intention of the legislature of Ohio was to protect the employees of railways from injury from a very frequent source of danger by compelling the railway company to adopt a well-known safety device. And though an employee impliedly waives a compliance with the statute and agrees to assume the risk from unblocked frogs and switches by continuing the service without complaint, *this court will not recognize or enforce such agreement.* The imposition of a penalty for the violation of a statute does not exclude other means of enforcement, and to permit the company to avail itself of such an assumption of risk by its employees is, in effect, to enable it to nullify a penal statute, and is against public policy."

Judge Taft was overruled, but the fight based on his opinions was continued until satisfactory statutes were secured.

### The Federal Courts and Organized Labor.

As early as August 28, 1895, in an address delivered before the American Bar Association at Detroit, Michigan, he said:

"\* \* Though the law of supply and demand will doubtless, in the end, be the influence of fixing this division (between capital and labor), yet during the gradual adjustment to the changing markets and the varying financial conditions, *capital will surely have the advantage, unless labor takes united action.* During the betterment of business conditions, organized labor, if acting with reasonable discretion, can secure much greater concessions in the advance of wages than if it were left to the slower operation of natural laws, and, in the same way, as hard times



come on, the too eager employer may be restrained from undue haste in reducing wages. The organization of capital into corporations, with the position of advantage which this gave in a dispute with single laborers over wages, made it absolutely necessary for labor to unite to maintain itself. For instance, how could working men, dependent on each day's wages for living, dare to take a stand which might leave them without employment if they had not by small assessments accumulated a common fund for their support during such emergency.

"The efficacy of the processes of a court of equity to prevent much of the threatened injury from the public and private nuisances which it is often the purpose of the leaders of such strike to cause, has led to the charge, which is perfectly true, that judicial action has been much more efficient to restrain labor excesses than corporate evils and greed. If it were possible by the quick blow of an injunction to strike down the conspiracy against public and private rights involved in the corruption of a legislature or a council, Federal and other courts would not be less prompt to use the remedy than they are to restrain unlawful injuries by labor unions. *But I have had occasion to point out that the nature of corporate wrongs is almost wholly beyond the reach of courts, especially those of the United States. The corporate miners and sappers of public virtue do not work in the open, but under cover; their purposes are generally accomplished before they are known to exist, and the traces of their evil paths are destroyed and placed beyond the possibility of legal proof. On the other hand, the chief wrongs committed by labor unions are the open, defiant trespass upon property rights and violations of public order, which the processes of the courts are well adapted both to punish and prevent.*

The operation of the interstate commerce law is an illustration of the greater difficulty courts have in suppressing corporate violations of law than those of trade unions. The discrimination between shippers, by rebates and otherwise, which it is the main purpose of the law to prevent, is almost as difficult of detection and proof as bribery, for the reason that both participants are anxious to avoid its disclosures; but when the labor unions, as they sometimes do, seek to interfere with interstate commerce and to obstruct its flow, they are prone to carry out their purposes with such a blare of trumpets and such open defiance of law that the proof of their guilt is out of their own mouths. The rhetorical indictments against the Federal courts, that from that which was intended as a shield against corporate wrong, they have forged a weapon to attack the wage-earner, is in this way given a specious force which a candid observer will be blind to ignore.

As a matter of fact there is nothing in any Federal decision directed against the organization of labor to maintain wages and to secure terms of employment otherwise favorable. The courts so far as they have expressed themselves on the subject, recognize the right of men for a lawful purpose to combine to leave their employment at the same time, and to use the inconvenience this may cause to their employer as a legitimate weapon in the frequently recurring controversy as to the amount of wages. It is only when the combination is for an unlawful purpose and an unlawful injury is thereby sought to be inflicted, that the combination has received the condemnation of the Federal as well as of State courts.

#### **Mr. Taft's Labor Record in the Philippines.**

And now let every trade unionist follow Mr. Taft into the Philippines, and from the report of one of labor's most trusted representatives learn the truth; learn whether Governor-General Taft fitly represented the best that there is in our American civilization. If so, he relied not only upon the churches and the introduction of public schools to uplift a dependent people but he encouraged the organization of unions on American lines to aid in the great work. No class of men will resent being imposed on more quickly than union workers, and those who have held up Mr. Taft as opposed to organized labor must now take the condemnation that honest men place upon falsifiers.



He wants no favors; he wants what every self-respecting trade unionist wants—justice, and he will get it from organized labor when the truth is illuminated and they understand him and know his record.

Mr. Edward Rosenberg, of San Francisco, was appointed by the American Federation of Labor a special commissioner to investigate labor conditions in the Far East. His reports were printed in the October and December (1903) numbers of the American Federationist, the official organ of the American Federation of Labor. The contrast between the deplorable conditions of the wage-earner in the Hawaiian Islands and the satisfactory state of affairs introduced by the administration of Governor-General Taft in the Philippines is well brought out by Mr. Rosenberg's exhaustive study. In the December (1903) American Federationist, he says:

"I would say that \* \* the plea of the Europeans and Americans for Chinese labor is prompted by the desire to quickly enrich themselves with the aid of cheap Mongolian labor. \* \*

"If, on the other hand, the *present policy of the Government is continued*; if Chinese are excluded; if opportunity is given to labor to better its condition by the aid of trade unions; if children are educated along American lines, and if the greed of European and American adventurers is not allowed to rule the Philippine Islands as it now rules the Hawaiian Islands, the American people in another generation will be able to point with justifiable pride to the success of democratic institutions among an Asiatic people, and forget in these achievements the injustice by the conquest of arms of the Philippine Islands."

With regard to conditions in the Philippines as inaugurated and maintained by Governor Taft, Mr. Rosenberg further says (American Federationist, October, 1903):

"The civil government is slowly but steadily proving to the Filipinos that American rule is really trying to make the Filipinos as fit for self-government as the American people are; that the purpose of American rule is not the exploitation of the natives, but their elevation. Should Chinese be allowed in here and the inevitable lowering of the already low wages take place, *the work of the Commission would be undone*, and where now hope of a better day is springing up in the hearts of the natives, sullen despair and dangerous resentment would take its place.

"My investigations as to the present system of exclusion, carried on under the law of April 20, 1902, shows that so far as it is known it effectively excludes the Chinese. \* \*

"*The trade unions constitute a great moving force for the betterment of the conditions in these islands. With their aid wages have been raised and many abuses abolished*, and though the present system is crude and faulty, steps are now being taken to place it on the well-tried trade union lines as adopted in the United States and affiliate the movement here with the American Federation of Labor. \* \* In June, 1899, the Filipino workers of Manila made the first attempt to organize trade unions. In a short time unions of barbers, cigar makers, tobacco workers, clerks, carpenters, wood workers, printers, lithographers, and others were formed. No attempt at federation was made until the return from Spain of Isabelo de los Reyes in June, 1901. Reyes had been banished from Spain by the Spanish Government for urging reforms in the islands. He quickly succeeded in federating the respective unions, and was chosen President. He held this position for a little over a year. Many unions were organized during that period, the number of unions in June, 1902, being 150, with a membership estimated at 20,000. \* \*

"The local American press and employers of labor generally denounced Reyes, resulting in his being charged, under an old Spanish law, "with conspiring to raise wages of laborers." In September, 1902, he was found guilty and sentenced to four months in jail. *He served two months and was then pardoned by Governor Taft.*"

Governor Taft pardoned the man not because he as not properly convicted under the law, but because, as he said:

"The statute is not in accordance with modern American views. The right of laborers to unite for the purpose of enhancing labor by withdrawing from the employment of those who make the demand for labor is generally conceded under American jurisprudence. In the new criminal code \* \* the American rules of jurisprudence are recognized, and no combination merely to enhance labor can be wrongful because of the excessive price requested or of the number engaged in the combination. For this reason, and because I do not think the statute as construed to be in accordance with American principles, I shall pardon Isabelo de los Reyes and remit what remains of his sentence."

Mr. Rosenberg speaks of a personal meeting with Governor Taft. What he says is now of particular significance, in view of the charge that some have made that Secretary Taft only became favorable to organized labor after he became a candidate for the Presidency. The quotation from Mr. Rosenberg's report follows:

"On June 21 Governor Taft returned from Baguio, the summer capital of the civil government, and on the 23rd I had an interview with him, desiring to know the attitude of the Governor

toward the organization of the workers. He said he favored the organization of the workers in trade unions, and had so stated, but that the Union Obrera Democratica de Filipinas of late had only harmed the cause of the workers, and the courts had to interfere. He wished success to the present movement to organize the workers on proper trade union lines. He referred me also to certain portions of his report for the year ending October 1, 1902. I quote the following from Governor Taft's report:

"During the year 1902 there has been a movement for the organization of labor in the city of Manila, which doubtless will spread to other parts of the islands. It has been regarded, because of abuses which crept in, as an unmixed evil. I can not think it to be so. If properly directed, it may greatly assist what is absolutely necessary here, to wit, the organization of labor and the giving to the laboring class a sense of the dignity of labor and of their independence. The labor organizations in the city of Manila are very much opposed to the introduction of Chinese labor, and their declaration upon this point will find ready acquiescence in the minds of all Filipinos with but few exceptions. *The truth is that, from a political standpoint, the unlimited introduction of the Chinese into these islands would be a great mistake. I believe the objection on the part of the Filipinos to such a course to be entirely logical and justified.* The development of these islands by Chinamen would be at the expense of the Filipino people, and they may very well resent such a suggestion."

#### **Blacklisted Laborer Should be Allowed Injunction.—Injury of Railway Employees.**

At the close of Mr. Taft's speech before Cooper Institute in New York City on January 10, 1908, among other questions he was asked the following:

"Why should not a blacklisted laborer be allowed an injunction as well as a boycotted capitalist?"

Mr. Taft promptly answered:

"He ought to be, and if I was on the bench I would give him one mighty quick."

In Mr. Taft's speech at Columbus, Ohio, on August 19, 1907, he said, with regard to the injury of railway employees:

"The frightful loss of life and limb among the railway employees of this country, reaching more than 4,000 killed and 65,000 injured in one year, has properly attracted the attention of Congress and the legislatures. It makes apparent that service in connection with trains of a railway is an extra hazardous business and may well call for Government supervision and exceptional rules to secure the safety of the passengers and reduce the danger to employees."

With regard to a statutory rule for liability of interstate railways to employees, he said:

"Finally, it has regulated the rules for liability of an interstate railway company to an employee injured in its service. This is a most important measure, for an unfortunate lack of uniformity has existed heretofore in respect to the rules of liability in such cases, dependent on the court in which the case has been tried. The new statute makes everything uniform as to interstate railroads. It has introduced into the Federal law what is called the comparative negligence theory by which, if an employee is injured, proof of negligence on his part does not forfeit his claim for damages entirely unless the accident was due solely to his negligence. If there was negligence by the company, the jury is authorized to apportion the negligence and award compensation for the proper part of the damage to the employee and the question of negligence is always for the jury.

"The most important provision of this law, however, is that abolishing what is known as the fellow-servant rule, by which an employee injured cannot recover from his employer for injury sustained through negligence of a co-employee. This rule was incorporated into the law by Chief Justice Shaw, of Massachusetts, on the ground of public policy. It was acquiesced in by the courts of England and of this country. *Whatever may have been the wisdom of the rule originally, a change of conditions justifies its abrogation.*



**MR. TAFT'S ANSWERS, JANUARY 6, 1908, TO QUESTIONS PRO-  
FOUNDED BY THE PRESIDENT OF THE OHIO FEDERATION OF LABOR.**

**Approves Defining Parties' Rights.**

"I see no objection to the enactment of a statute which shall define the rights of laborers in their controversies with their former employers. As this statute would fix the lawful limits of their action, it would necessarily furnish a definite rule for determining the cases in which injunctions might issue, as well as their character and scope. It should be said that this statute, however, if enacted by Congress, could relate only to the District of Columbia or some place within the exclusive jurisdiction of the Federal government, or to those employers and employees whose relations are within congressional definition and control.

"Generally, the law governing the relation between employer and employee is a State law and is only enforced in the Federal courts when the jurisdiction arises by reason of the diverse citizenship of the parties. Speaking generally, however, both as to Federal and State legislation, I see no objection to a statute which shall, so far as possible, define the rights of both parties in such controversies more accurately. Indeed, the more exactly the lawful limitations on the actions of both parties are understood, the better for them, and for the public.

**Hearing Before an Injunction.**

"Second. You ask me what I think of a provision that no restraining order or injunction shall issue, except after notice to the defendant and a hearing had. This was the rule under the Federal statute for many years, but it was subsequently abolished. In the class of cases to which you refer I do not see any objection to the re-enactment of that Federal statute. *Indeed, I have taken occasion to say in public speeches, that the power to issue injunctions ex parte has given rise to certain abuses and injustice to the laborers engaged in a peaceable strike.* Men leave employment on a strike; counsel for the employer applies to a judge and presents an affidavit averring fear of threatened violence and making such a case on the ex parte statement that the judge feels called upon to issue a temporary restraining order. The temporary restraining order is served on all the strikers; they are not lawyers; their fears are aroused by the process with which they are not acquainted; and, although their purpose may have been entirely lawful, their common determination to carry through the strike is weakened by an order which they never have had an opportunity to question, and which is calculated to discourage their proceeding in their original purpose. To avoid this injustice, I believe, as I have already said, that the Federal statute might well be made what it was originally, requiring notice, and a hearing, before an injunction issues.

"Third. In answer to your third question, it would seem that it is unnecessary to impose any limitation as to the time for a final hearing, if, before an injunction can issue at all, notice and hearing must be given. The third question is relevant and proper, only should the power of issuing ex parte injunctions be retained in the court. In such case, I should think it eminently proper that the statute should require the court issuing an ex parte injunction to give the person against whom the injunction was issued an opportunity to have a hearing thereon within a very short space of time, not to exceed, I should say, three or four days.

**Might Designate Another Judge.**

"Fourth. Your fourth query is, in effect, what I would think of a provision in such cases by which the contemnor—that is, the person charged with the violation of an order of injunction—might object to the judge who issued the injunction as the one to try the issue whether the injunction had been violated, and to fix punishment in case of conviction, and thereby require



another judge to try the issue and impose sentence, if necessary. In Federal courts in such a case it would be proper to provide that the senior circuit judge of the circuit should, upon the application of the defendant or contemnor, designate another district or circuit judge to sit and hear the issue presented. I do not think such a restriction would be unreasonable. In most cases it would be unnecessary. But I admit that there is a popular feeling that in contempt proceedings, and the very name of the proceedings suggest it, that the judge issuing the injunction has a personal sensitiveness in respect to its violation and therefore that he does not bring to the trial of the issue presented by the charge of contempt of his order the calm, judicial mind which insures justice.

#### Opposes Jury Intervention.

"I think that this popular feeling is, in most cases, unfounded, but I believe that it is better, where it can be done without injuring the authority of the court and the efficiency of its process, to grant such a privilege to the contemnor and thus avoid an appearance of injustice, even at some inconvenience in the matter of securing another judge. There is some analogy, though it is not complete, between the exclusion of a judge from sitting in the court of appeals to review a decision of his own, which now obtains in the practice of the Federal Court of Appeals, by statute, and the present suggested case. It is of the highest importance that the authority of the court to enforce its own orders effectively should not be weakened and therefore I am opposed to the intervention of a jury between the court's decree and its enforcement by contempt proceedings. It would mean long delay and greatly weaken the authority of the court.

"I do not think that the permission to change the judge, however, would constitute either serious delay or injure the efficacy of the order, while it may secure greater public confidence in the justice of the court's action. The appearance of justice is almost as important as the existence of it in the administration of courts."

#### Concluding Remark.

The foregoing facts, coupled with what is more generally known with regard to his great achievements as a jurist and a public official, should appeal to every man of right reasoning in such manner as to convince him that, as President of the United States, Mr. Taft's great intellect and power would be found valiantly contending for the rights of the laboring, producing people.

#### Mr. Taft's Own Views, Expressed in His Own Words.

Mr. Taft discussed this subject fully and frankly in his speech of acceptance of the nomination for the Presidency, delivered to the Notification Committee, at Cincinnati, July 28, 1908. The speech is printed in full in this volume, and the student of this subject is especially referred to that portion thereof which states his views in his own words and in such detail as this important subject deserves.

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#### THE LABOR DECISIONS OF JUDGE TAFT.

*By Frederick N. Judson, Attorney for the Railroad Brotherhood,  
Reprinted from the August, 1907, Review of Reviews.*

The present Secretary of War, Hon. William Howard Taft, has had the exceptional experience of beginning his distinguished public career with judicial service on the State, and thereafter serving on the Federal bench. He was justice of the Superior Court of Cincinnati from 1887 to 1890, and among his immediate predecessors in that court were Hon. Judson Harmon, ex-Attorney-General of the United States; Hon. John B. Foraker, ex-Governor and now United States Senator. After some two years' service as Solicitor-General under President

Harrison, Mr. Taft was appointed judge of the Circuit Court of the United States, holding that position until 1900, when he resigned to accept the appointment of Governor of the Philippines.

It has been intimated from time to time, though not very definitely, that certain decisions of Judge Taft while on the bench were unfriendly to organized labor. Such suggestion, analyzed in view of the position of the judiciary in our political and judicial system, is really an imputation upon the intelligence of the electorate. A judge does not make the law, nor does he decide cases according to his private judgment of what the law ought to be; but he declares and applies the rules of law to the facts presented as he finds them in the statutes or adjudged precedents, the recorded depositories of the law.

It is true that our unwritten and non-statutory law has been termed judge-made law. But it is only in a very limited sense, if at all, that this expression is applicable to the case of an individual judge. His personality may be impressed upon the development of the law, as that of Judge Taft was doubtless impressed, by the clearness of his grasp of the fundamental principles of the law in their application to new conditions; but his opinions must be in harmony with the current trend of judicial authority, and, in the last analysis, with the advance of an enlightened public opinion. We have had frequent instances in this country where a judge, after leaving the bench, have become candidates for public office, but very rarely have the judicial decisions of a judge ever been discussed with reference to his availability for a public office. The reason is obvious. The high intelligence of our American electorate recognizes that the judges do not speak their individual judgments, but, in the words of Blackstone, "are the living oracles of the law," who declare and apply the laws of the land.

It is to be assumed, therefore, that Judge Taft decided cases involving the rights and duties of labor and capital, as he decided other cases which came before him, according to the law and facts as presented for determination. It has not been intimated that he did not declare the law correctly, or that his decisions were bad law in any legal sense. What, therefore, is really meant by the suggestion is that the law as declared in certain decisions of Judge Taft was unsatisfactory to certain class interests. While this impersonal position of a judge is clearly recognized, there is so much public interest in questions relating to the legal rights and duties of combinations, both in capital and labor, that the decisions of Judge Taft in this class of cases should be clearly understood, and therefore will be briefly reviewed from a legal and not from a partisan point of view.

#### **Moores vs. Bricklayers' Union et al.**

The first of these opinions was delivered by Judge Taft while on the Superior Court bench of Cincinnati in 1890, in the case of *Moores vs. Bricklayers' Union et al.* (23 Weekly Law Bulletin, 48). This case is interesting as involving the application of the law to what is known as a secondary boycott, that is, boycott not against an employer, but against a third party dealing with an employer, who is a stranger to the controversy between the employer and employee.

This was not an injunction suit, nor did it involve any issue between the employees and their employer, either directly or through any refusal to handle in other places the so-called "struck work" from the shop of the employer. It was a secondary boycott pure and simple, in the form of a suit for damages incurred by the plaintiff through a boycott by the Bricklayers' Union, declared on account of the plaintiff's selling lime to the employer, Parker Bros., who had been boycotted by the union. This primary boycott had been declared against Parker Bros. by the Bricklayers' Union because of their (Parker Bros.) refusal to pay a fine imposed upon one of their employees, a member of the union, and to reinstate a discharged apprentice.

Parker Bros. had brought suit and had recovered damages



before a jury in another court against the same defendants on account of this same boycott (21 *Weekly Law Bulletin*, 223.) Moore Bros., the plaintiffs, had been awarded \$2,250 damages by the jury on account of this secondary boycott, and it was this judgment which was affirmed on appeal in an opinion by Judge Taft. The case has become a leading one on the law of boycotting. The right of legitimate commerce with the incidental injuries resulting therefrom, as illustrated in the then recently decided *Mogul Steamship case* in England, was distinguished by Judge Taft from the case then at bar, where the immediate motive of injuring the plaintiff was to inflict punishment for refusing to join in the boycott of a third party. Such a motive made the act malicious and legally unactionable in the case of an individual and a fortiori in the case of a combination. It was said, after reviewing the English cases: "We do not conceive that in this State or country a combination by workmen to raise their wages or obtain any material advantage is contrary to the law, provided they do not use such indirect means as obscure their original intent, and make their combination one merely malicious, to oppress and injure individuals."

It was further said that a labor union could provide for and impose a penalty against any of their members who refused to comply with such regulations as the association made. They could unite in withdrawing from the employ of any person whose terms of employment might not be satisfactory to them, or whose action in regard to apprentices were not to their liking, but they could not coerce their employer by boycotting him and those who dealt with him; that even if acts of this character and with the intent are not actionable when done by individuals, they become so when they are the result of combination, because it is clear that the terrorizing of the community by threats of exclusive dealing in order to deprive one obnoxious member of means of sustenance would become both dangerous and offensive. This decision, subsequently affirmed by the Supreme Court of Ohio without opinion, has been accepted as the correct exposition of the law, and the secondary boycott, so-called, that is, a boycott against a stranger to the trade dispute, has been practically discontinued and abandoned by intelligent labor unionists as an unwise and unreasonable weapon in such controversies.

#### **Toledo and Ann Arbor Engineers' Strike of 1893.**

The so-called labor decisions of Judge Taft while on the Federal bench related directly and primarily to the Federal character of such controversies, in that they involved the supremacy of the Federal power in the protection of interstate commerce. Though there were only two such cases decided by him, the decisions attracted general attention on account of the widespread industrial disturbances in 1893-4.

The first of these cases was decided April 3, 1893, in the matter of the strike of the engineers of the Toledo and Ann Arbor Railroad (54 Fed. Rep., 730). The engineers on strike were members of the Brotherhood of Locomotive Engineers, of which P. M. Arthur was the chief. Under the then rule of the brotherhood, known as rule twelve, the engineers in the employ of the connecting railroad companies, members of the brotherhood, refused to handle and deliver any cars of freight from complainant's road as long as the strike of the engineers of that road, who were members of the brotherhood, was unsettled. It was obvious that this involved practically a paralysis of the business of interstate commerce between the complainant and the defendant railroads. The Toledo road thereupon applied for an injunction against the connecting roads, alleging the existence of a combination violative of the Interstate Commerce Act, preventing the performance of their duties in regard to interstate commerce in the exchange of traffic, and asked the court to enjoin this unlawful interference. A motion was filed by the complainant for a temporary injunction against Mr. Arthur to restrain him from enforcing rule twelve, whereunder the employees of the defendant companies were refusing to handle the cars of the complainant company.



The opinion of the Court by Judge Taft was notable in its clear expression of the power of a court in the issuance of a mandatory preliminary injunction where necessary to prevent irreparable injury. "The normal condition," it was said,—"the *status quo*,—between connecting common carriers, under the Interstate Commerce law is a continuous passage of freight backward and forward between them, which each carrier has a right to enjoy without interruption, exactly as riparian owners have a right to the continuous flow of the stream without obstruction." Usually the *status quo* in the injunction can be preserved until final hearing by an injunction prohibitory in form, but where the *status quo* is not a condition of rest, but of action, the condition of rest, that is, the stoppage of traffic, will inflict irreparable injury not only upon the complainant but the public. In such cases it is only a mandatory injunction compelling the traffic to flow as it is wont to flow, which will protect the complainant from injury. The form of the remedy must be adapted to the emergency, and where the continuity of interstate traffic is threatened an injunction mandatory in term is often the only effective remedy.

Still more important was the opinion in its clear analysis of the position of employees of railroads engaged in interstate traffic, and their rights and duties as such employees under the Interstate Commerce act. The relation of such employees to their railroad companies is one of free contract, and is not analogous to that of seamen in the maritime service, who, to a certain extent, surrender their liberty in their employment and are punishable for desertion. The employment, therefore, in the case of railroad employees, was terminable by either party. The court could not compel the enforcement of personal services as against either the employer or the employed against the will of either. The court said especially was this true in the case of railroad engineers, where nothing but the most painstaking and devoted attention on the part of the employed will secure a proper discharge of his responsible duties; and it would even seem to be against public policy to expose the lives of the traveling public and the property of the shipping public to the danger which might arise from the enforced and unwilling performance of so delicate a service. While a court of equity could not specifically compel the performance of a contract for personal service, it did not follow that there were no limitations upon the right of employees to abandon their employment,—that is, as to the time and place of the exercise of such right (see remarks of Supreme Court in *Lemon* case, 166, U. S.), so as to avoid imperiling life or property.

Though the relation of railroad employer and employed was one of free contract, the court also held that while the relation continues they were bound to obey the statute compelling the interchange of interstate traffic, and also bound by the orders of the court enjoining their employer corporation from refusing such interchange. A combination of the employees to refuse, while still holding their positions, to perform any of the duties enjoined by law or by the court upon their employer, would be a conspiracy against the United States and punishable as such.

The court therefore held that the mandatory injunction was properly issued against Arthur, compelling him to rescind the order to the engineers in the employ of the defendant directing them not to handle complainant's freight.

The engineers of the defendant companies had no grievances against their own employing companies; and their refusal to handle freight of complainant company was in no sense a strike for the betterment of their own conditions of service, and was therefore not a strike but a boycott, and this would necessarily paralyze the movement of interstate traffic.

The effect of this decision was far-reaching. It was the first judicial declaration of the duties of railroad employees in interstate commerce. It was followed in other circuits and was not only approved by the general public, but was accepted by the railroad brotherhoods as a fair statement of the law under the peculiar conditions of the railroad service. The result

was the abrogation of rule twelve by the brotherhood of the engineers, and since that time, as was signally shown in the extensive railroad strike of the following year, the railroad brotherhoods, not only the engineers, but the conductors, firemen, and trainmen, have been conspicuous for their conservatism in the adjustment of differences with the management of their respective companies

### **The Phelan Contempt Case.**

In the following year, 1894, came the great railroad strike inspired by the American Railway Union, growing out of the strike of the Pullman employees at Pullman, Ill. The officials of the union demanded all the railroads to boycott the Pullman cars, and declared a strike of the employees on any railroad on their refusal to declare such a boycott. The Cincinnati Southern, an interstate railway, was in the hands of a receiver, who had been theretofore appointed by the United States Court of Ohio, and the receiver applied to the court for protection against one Phelan, an official of the American Union, who was engaged in inciting a strike among the employees of the railroad. There was no complaint by the employees of this road, as there had been none by the employees in the Arthur case, for the betterment of their condition of service. The demand was that all traffic should be suspended and business paralyzed until all the roads should consent not to carry Pullman cars. In the words of the court, the purpose was to starve the railroad companies and the public into compelling the Pullman company to do something which they had no lawful right to compel it to do.

It seems that a restraining order had been issued by the court prohibiting interference with the management of the receiver in the operation of the road, and Phelan had used language defying his order. He was thereupon attached for contempt, and after a hearing was adjudged guilty of contempt in an opinion by Judge Taft (62 Fed. Rep., 803). The opinion emphasized the same distinction which had been pointed out in the Arthur case in the preceding year. The employees had the right to quit their employment, but they had no right to combine to injure their employer, in order to compel him to withdraw from a mutually profitable relation with a third party for the purpose of injuring the third party, when the relation thus sought to be broken had no effect whatever upon the character or reward of their services. As the purpose of the combination was to tie up interstate railroads, not as an incidental result of a lawful strike for the betterment of the employees' own conditions, but as a means of injuring a third party, it was an unlawful combination, violative of the anti-trust act of 1890. It was also a direct interference with interstate commerce.

Thus, if Phelan had come to Cincinnati and had urged a strike for higher wages, or to prevent lowering of wages, he would not have been liable for contempt, but he had no right to incite the men to quit, when they had no grievances of their own to redress, as it was then essentially a boycott and not a strike.

It was in this Phelan case that Judge Taft, in determining the limits of the rights of labor organizations, made this lucid and notable statement of the extent of their rights, which has been frequently quoted:

The employees of the receiver had the right to organize into or join a labor union which would take action as to the terms of their employment. It is a benefit to them and to the public that laborers should unite for their common interest and for lawful purposes. They have labor to sell. If they stand together they are often able, all of them, to obtain better prices for their labor than dealing singly with rich employers, because the necessities of the single employee may compel him to accept any price that is offered. The accumulation of a fund for those who feel that the wages offered are below the legitimate market value of such labor is desirable. They have the right to appoint officers, who shall advise them as to the course to be taken in relations with their employers. They may unite with other unions. The officers they appoint, or any other person they choose to listen to, may advise them as to the proper course to be taken, both in regard to their common employment; or if they choose to appoint any one, he may order them on pain of expulsion from the union peaceably to leave the employ of their employer because any of the terms of the employment are unsatisfactory.



**This** declaration of the right of organization and representation of labor unions has often been cited and quoted in support of the unions, and was applied, as will be seen, most effectively in their behalf in the Wabash strike of 1903.

The jurisdiction of the United States courts in the protection of interstate commerce, and the supremacy of the Federal power in such questions, were therefore fully sustained by the Supreme Court of the United States (see *in re Debs* case, 158 U. S., 564; also *in re Lemon*, 166 U. S. 548).

The reason of the prompt acceptance of this application of the law by Judge Taft was the universal recognition that a boycott by railroad employees in interstate commerce, as distinguished from a strike, was impracticable and inadmissible, in view of the paramount public interest concerned. It is true that in ordinary trade disputes the public convenience and even public necessities are not always given the weight they should have. But wherever interstate or foreign commerce are involved the public interest is made paramount by the laws of the United States. All classes of the community, workingmen as well as capitalists, are interested in the proper transmission of the mails and in the uninterrupted passage of person and freight. This principle of the protection of commerce against interruption has become firmly entrenched in our jurisprudence. Under the law declared in these cases, our commerce is subject to be interrupted only by the incidental injury resulting from cessation of service, and not by boycotts or sympathetic strikes not related to the bettering of the conditions of the employees' service. That this principle is firmly established is primarily owing to the clear and courageous enunciation of the law by Judge Taft.

#### **The Addyston Pipe & Steel Company Case.**

The same principle of the freedom of interstate commerce from illegal restraint declared in the Arthur and Phelan cases was also held by Judge Taft to apply to a business combination, or a "trust," in the Addyston Pipe & Steel Company case (85 Fed. Rep., 271). In this case there was an allotment of territory, comprising a large part of the United States, among a number of companies engaged in the manufacture of iron pipes, and in that territory competition was eliminated through this allotment of territory, and through a system of pretended bidding, giving an appearance of competition, at public lettings, when in fact there was no competition. The decision of the Court of Appeals, rendered by Judge Taft, was afterward affirmed by the Supreme Court of the United States. His opinion is a notable contribution to the law, in its masterly analysis of the essential distinction between the legitimate contracts in restraint of trade, which are merely ancillary, or incidental, to some lawful contract, and necessary to protect the enjoyment of the legitimate fruits of that contract, and the agreements where the sole object is a direct restraint of competition, and to enhance and maintain prices. These latter agreements are unenforceable at common law, and are violative of the anti-trust act when made with reference to interstate commerce.

The distinction here so clearly pointed out has been the basis of the construction of the anti-trust act by the United States Supreme Court in all its subsequent decisions.

#### **Judge Taft's Opinion Supports the Union in Wabash Strike Case.**

The words of Judge Taft in the Phelan case quoted above, setting forth the rights of labor organizations under the law, were directly invoked and applied on behalf of the labor unions in a notable case, that of the threatened strike on the Wabash Railroad by the Brotherhoods of Railroad Trainmen and Firemen in 1903 (121 Fed. Rep., 563). In this case, the representatives of these two brotherhoods, after failing to secure the advance of wages and betterment of conditions demanded by the brotherhoods, had been forced to call a strike as their last



resort, and thereupon an injunction was filed by the railroad company, in the United States Circuit Court in St. Louis, against the officers of these brotherhoods, enjoining them from calling a strike on the Wabash, as an interstate railroad, on the ground, among others, that the officials of the brotherhoods were not employees of the railroad, and that their action in combining in calling a strike would be a direct interference with interstate commerce, and was therefore an unlawful conspiracy.

The rights of organization and the rights of representation, as set forth by Judge Taft, were thus directly involved. The writer represented those brotherhoods in the hearing on the motion to dissolve the injunction granted in this case, and used the above quoted statement of Judge Taft as the most lucid and effective defense of the action of the brotherhoods and their officials. The Court (Judge Adams) found from the evidence that there was an existing dispute about the conditions of service on the railroad, and that the officials of the brotherhood had been directed by the members of the brotherhoods to call a strike; that they had a right to be represented in such matters by their own officials, and that the two unions had a right to act in unison in their effort to secure the betterment of the conditions of their members, that an agreement to strike under those circumstances was not an unlawful conspiracy, and the injunction was therefore dissolved. It was said in the opinion that on the subject of the organization of labor, and the right of labor unions, no one had spoken more clearly and acceptably than Judge Taft, in this language above quoted. (After the dissolution of the injunction, the differences between the railroad and its employees was amicably adjusted, and the threatened strike was averted.)

Thus, while the law was declared by Judge Taft as to the limitations upon the lawful actions of labor unions, the essential principles involved in the right of organization were also announced by him in the same opinion. This right of organization of workingmen in the unions would be futile without the right of representation by their own officials in the effort to secure the betterment of their conditions. The remedies adopted by workingmen, sometimes mistaken remedies for the enforcement of their rights, such as the closed shop and the boycott, are only weapons for the enforcement of the fundamental right of collective bargaining for the common benefit. There is no foundation, therefore, for the suggestion that the decisions of Judge Taft were in any sense unfriendly to labor, and it is clear that through his lucid declarations of the rights of labor the railroad brotherhood secured the judicial vindication of their rights of combination and of representation in their demands for the betterment of their conditions.

While these important decisions were rendered by Judge Taft, declaring the freedom of interstate commerce from illegal combination both of labor and capital, the limitations upon the rights of organized labor, as well as the essential principles involved in the right of organization for the betterment of their conditions, it would be an imputation upon the brilliant judicial record of Judge Taft to suggest that in any of these opinions he declared the law as a friend of any class, or that he made any judicial utterance in any of the cases otherwise than a living oracle of the law, bound to declare, in every case brought before him, not his own private judgment, but the judgment of the law.

#### **William H. Taft as a Judge Upon the Bench.**

[By Richard V. Oulahan.—From the August, 1907, Review of Reviews.]

Mr. Taft is the very personification of energy. He is a human steam engine. He is always busy. Work, and hard work, is his pleasure. A handsome man, he would attract attention from that circumstance alone. He breathes good will and suggests mental, moral, and physical wholesomeness. Yet, with all his pleasant informality and his frequent laughter, he has a dignity of manner and carriage that commands respect and

attention. You feel that he is a man of brain power, one of the few men who seem to grow greater the more intimately you know them.

Captain Seth Bullock, plainsman and friend of President Roosevelt, paid, in homely phrase, one of the highest tributes that could be paid to any human being, when he was asked his opinion of Mr. Taft. Captain Seth has the plainsman's reticence of speech. He could not gush if he tried. "What is it about Taft that you like?" he was asked. He hemmed and hawed before he answered, "He's simply all right. He's a man you don't have to be introduced to twice."

It is this ability to make people feel at their ease that is one of Mr. Taft's greatest charms. He seems to take an interest in everybody he meets. There is nothing of the politician in his method of treating people. His manner is too natural to be studied. The farmer's boy who comes to Washington to find out about the chances of getting an appointment to the Military Academy is on friendly terms with the Secretary of War after they have talked five minutes. The statesman, the military hero, the newspaper correspondent, the department clerk, are all treated alike when they call on Mr. Taft. He plays no favorites among those whom he believes to be fair and square.

### The New England Conscience.

Mr. Taft has the New England conscience, and this helped him in his judicial career. If he thinks a thing is wrong he does not hesitate to say so. This phase of his character takes a peculiar form. He will go out of his way to avoid hurting the feelings of any of his fellow-men; he does not like to inflict pain; but frequently, when it was to his personal and political advantage to be silent, he has spoken out, because silence would mean a misunderstanding of his attitude. He wanted everybody to know how he stood. When he went to Ohio in 1905 to serve as temporary chairman of the Republican convention he made a speech which was in substance an appeal to his party brethren to smash on election day the Republican machine in Cincinnati. Taft was talked of at that time as a Presidential possibility. He knew that his course would injure him in the party organization; that he would make enemies of many whose friendship would be valuable if he were a candidate for an elective office. But to him words of praise for the Republican machine ticket in Cincinnati or silence on the subject meant hypocrisy, and his New England conscience told him to go to the other extreme. It is this peculiarity in Taft's temperament which amazes those friends of his who think he should trim his sails in the winds of popularity.

He exhibited the trait while he was on the Federal judicial bench. The prospect of the political future cut no figure with the young jurist. He had no apologies to make for his course at that time and would not brook any questioning of its fairness. Today, as a candidate for the Presidential nomination, with the labor element as a powerful factor in the determination of the result, he will not hesitate to tell exactly what he did as a judge when labor injunction cases were brought before him. If anybody anxious to injure Mr. Taft's prospects for the Presidency wishes to get the record of his course in the labor cases he need not pursue secret methods to obtain the information. Let him apply to the office of the Secretary of War, Room 226, second floor, War Department Building, Washington, D. C., and a genial gentleman of large frame will furnish it cheerfully. Taft is not ashamed of anything he has done or afraid of the consequences of it.

Taft was thirty when he became a judge of the Superior Court in Cincinnati and only thirty-five when he was appointed a judge of the United States Circuit Court. His ambition had tended to the Federal bench, and this office appeared to pave the way for the realization of his wish to be a member of the highest tribunal. The world knows how, when offered an appointment as an Associate Justice of the United States Supreme Court, which meant the fulfillment of his heart's desire,



he placed duty ahead of everything else and declined the tender. He was then in the Philippines and he preferred to stay there at the sacrifice of personal comfort and individual taste, because his departure from Manila would cause lack of confidence among the native people and interfere with the work he had set out to do. The real Taft stood out in these words telegraphed to President Roosevelt: "Look forward to time when I can accept such an offer, but even if it is certain that it can never be repeated, I must now decline." And when the President insisted, that he, as President, "saw the whole field" and intended to make the appointment, Taft came back with reasons which convinced Mr. Roosevelt that the big man who wanted to be a Supreme Court jurist but refused for the sake of conscience was entitled to have his own way.

Dignified on the bench, his sedate manner was tempered by a suggestion of kindness and charity that he could not conceal. One of those associated intimately with him in the days when he wore the judicial ermine has said: "He was Judge Taft in the court-house, but Bill Taft away from there." His interest in young men, particularly in young lawyers, was shown frequently. The law school of which he was dean was a source of great pride to him. One day, while hearing a case in the Federal court-room, he saw five law students whom he knew, sitting in rear seats. "Bring five chairs up here," he said to an attendant, and then told his secretary to invite the five students to sit beside him, a mark of distinction and honor. The youngsters thought the secretary was joking, but he pointed to the chairs and convinced them. So the five, embarrassed but elated, took seats beside the Judge. "I thought that you'd be able to hear better up here," was Taft's explanation.

Another act of kindness was shown to a young attorney from Kentucky who had brought suit for damages against a railroad company in behalf of a woman who had been injured by a train. The attorney's petition was poorly prepared, so poorly that it would not have stood the test of a hearing. "I give you leave to amend that petition," said Judge Taft, and he pointed out wherein the paper was defective. The attorney did not appear to understand what was required of him. Judge Taft detected the trouble. "Let me see that petition," he said. He struck out some sentences in the document and made interlineations with a pencil. Then he handed it to the attorney for the railroad, a man of prominence in legal circles. "I guess that's all right," he remarked, and the railroad's representative, who was prepared to make technical objection, reluctantly accepted Judge Taft's disposition. The young fellow won the case.

#### Ready to Acknowledge Error.

As a Judge, Taft earned the reputation of being fearless and just, and it was this reputation which accounts in part for his popularity in Ohio. He was never afraid to strike at evil and always ready to accept full responsibility for his judicial decisions and orders. Yet he was as ready to acknowledge any error on his part, and a remarkable instance is recorded where he actually apologized to a litigant for uncomplimentary allusions made from the bench. The town of Hartwell, in Hamilton County, Ohio, became involved in a dispute with a railroad company. There were writs of injunction and mandamus and other proceedings sought by the town authorities or the company. The Mayor of Hartwell turned the hose on workmen who tried to lay rails at night. When one aspect of the case was brought before Judge Taft he took occasion to criticize the Mayor severely. The Mayor, willing to be made a victim of the court's power to punish for contempt, wrote a letter to Judge Taft complaining bitterly that the court's reference to himself was *obiter dictum* and was entirely outside the court's powers. The Mayor confidently expected to be haled before the bar. To his surprise, however, he received a letter from Judge Taft admitting that he had gone farther than he should in his comments on the Mayor's attitude and asking the Mayor to accept his apology for what he had said.



That was Taft all through. Conscientiously believing originally that it was his duty to rebuke the Mayor, he saw the matter in a new light when an argument to show that he was wrong was presented and he made haste to correct the error, and, to emphasize the change of view, added an apology.

#### **The Stern and Fearless Magistrate.**

Another instance shows Taft as the embodiment of stern justice, knowing his duty and permitting no interference with its fulfillment. An elderly man had been convicted of pension frauds in Judge Taft's court. Under the law it was optional with the Court to impose a sentence of imprisonment in a penitentiary or a jail. A son of the convicted man knew Judge Taft and had been on friendly terms with him. Presuming on their friendship, the son saw Judge Taft privately and proceeded to give reasons why the father should be sent to jail instead of the penitentiary. Judge Taft was angry. In language that left no doubt as to his state of mind, he told the son that any repetition of the attempt to influence him in a judicial matter would result in a term in jail for contempt. Crestfallen and humiliated, the son went away, believing that his father was certain to get a penitentiary sentence. Judge Taft sent the convicted man to jail. Those who know his peculiar judicial fitness do not need to be told that Taft was not influenced in any way whatever by the son's plea. He considered the matter on its merits and declined to allow his mind to be prejudiced against the father for the son's indiscretion or in the father's favor by the son's distress.

#### **Justice Tempered with Mercy.**

It was not often that Judge Taft showed anger, but when he did there was nothing half-hearted about it. A man who had heard some idle talk about Taft came to tell the Judge of it. People were saying, he asserted, that Taft would not do full justice to one side in a pending case. "You get out of here or I'll throw you out," he shouted. As a matter of fact, the case was not before Taft's court. He hated a meddler. He would not tolerate a tattler.

When Judge Taft holds the scales of justice he holds them squarely. With it all, however, he is actuated by a spirit of consideration for the unfortunate and ready to show mercy whenever his sense of right tells him it is proper to do so. Toward the end of his career as a Federal Judge a young man was convicted in his court of violating the postal laws, Judge Taft was convinced that the offense was due more to ignorance than to criminal intent and he suspended sentence. "Come back to me in six months," he said to the defendant. The Philippine War was on when the six months expired. The young fellow who had been convicted appeared before Judge Taft with the laconic introduction, "I've come." "I see you have," said his Honor, "but what can I do for you?" Judge Taft had nearly forgotten the circumstance, but it was recalled to his recollection by attachés of the court. Then he put the young man through an examination as to what he had been doing in the probationary period and received satisfactory answers. "And what are you doing now?" he asked. "I am trying to get into the army," was the answer. "Will they take you?" "I think so, but I told them I couldn't enlist until I'd seen you." "Well," said Judge Taft, "you show yourself to me here with Uncle Sam's uniform on and you needn't come after that." The boy enlisted and his sentence was remitted.

#### **A Labor Leader's Confidence in the Judge Who had Jailed Him.**

It was Taft who rendered the first opinion upholding the validity of the Sherman Anti-Trust law, and it was Taft who sent a labor leader to jail for contempt in interfering with the operation of a railroad then in the hands of the court over which Taft presided. The man whom he jailed was Frank

Phelan, a lieutenant of Eugene Debs in the American Railway Union. There were murmurs in Cincinnati that Judge Taft would not leave the bench alive if he sent Phelan to jail. Members of the order to which Phelan belonged crowded the court-room with identifying badges conspicuously displayed. Judge Taft read his opinion in the case and ordered that Phelan be confined in jail for six months. Then he stepped from the rostrum and went to his private room. There was not the slightest sign of trepidation in his manner or a hesitating note in his voice as he delivered his judgment.

Months after, Phelan, released from jail, went to Ludlow, a suburb of Cincinnati, where most of the railroad men who had gone on strike at his command resisted. The agitator who had counseled violence of a radical kind was touched by the suffering among the families of the strikers, many of them still out of employment. Phelan wanted to help them, and curiously enough the man to whom he applied for advice and assistance was Judge Taft. He called at the Judge's office in company with another man and was received without any delay. "Hello! Phelan," said Judge Taft, "what can I do for you?" A gentleman who was present on that occasion vouches for the statement that Phelan explained his business in words somewhat to this effect: "Judge, I came to tell you that I never realized what great suffering I would create until I went to Ludlow this morning. I'm willing to serve another six months or a year if you'll help me to get work for these men. All those who went out on strike and who testified that they went out through sympathy only, told an untruth, and so did I, for I was sent here by Debs to take these men out as I saw fit."

But strongly as his sympathy was aroused by what Phelan said, Judge Taft held that it would be improper for him to make any suggestion to the railroad company to give employment to its former employees. "I can't tell the railroad people how to run their business," he said. This incident is told merely to show the wonderful human sympathy which Taft possesses and which he makes people understand. Phelan, in spite of the scoring and the punishment he had received from Taft, felt that he would find the stern judge a kind friend, and his reception proved that he was not mistaken. Taft never bears malice. He is as willing to forget as he is to forgive when satisfied that a fault which he condemned had been honestly atoned for.

Long years of work on the bench did not produce in him the idea that he is not as other men. There is no false dignity about him. Off the bench he is as jovial as could be. While on the bench he maintained a dignity that was impressive, but not repellant. Whatever he does, he does as part of the day's work, not hampered by any ideas of his greatness. He is too busy to think about his own personality.

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## THE STATESMANSHIP OF WILLIAM H. TAFT IN THE ORIENT.

For the last ten years the policy of the United States in regard to its position and future as a Pacific power has been marked by a degree of vigor and directness comparable only with its attitude toward all questions involving the application or interpretation of the Monroe Doctrine. And rightly so; because among the great powers whose territories border on the Pacific Ocean, the United States is most intimately concerned in the future of that vast area around which are grouped nine hundred millions of people, or more than half the population of the globe.

### Importance of the Orient and Oriental Markets.

Speaking in the United States Senate in 1852, William H. Seward said: "Henceforth, European commerce, European politics, European thought, and European activity, although actually gaining force, and European connections, although actually be-



coming more intimate, will, nevertheless, relatively sink in importance; while the Pacific Ocean, its shores, its islands, and the vast region beyond will become the chief theater of events in the world's great hereafter." The purchase of Alaska, which was the work of Seward, was dictated by a desire to grasp the opportunity to become the foremost of Pacific powers; the acquisition of Hawaii was a testimony to the necessity of excluding foreign control from a commanding position in mid-Pacific; the taking of the Philippines was justified on the ground that we needed an emporium of trade and a place of arms to be ready against the time when other powers might be moved to dispute the right of the United States to enjoy equality of commercial opportunity in the great markets of Eastern Asia.

We have made the construction of a canal across the Isthmus of Panama a national enterprise, primarily because it was needed to enable all sections of our country, and the Southern States, most of all, to have the full benefit of the present and future profit of the commerce of the Pacific. That our Government regards this enterprise as one of supreme importance to the national welfare has been sufficiently demonstrated by the uncompromising vigor and resolution with which it has treated the obstacles interposed to its execution. If the extension of the influence of the United States has been anywhere pursued in obedience to the call of "manifest destiny," it has been on and around the Pacific Ocean. If there be one point more than another where a check to our influence would dwarf the rôle which this Republic is fitted to play on the stage of history it would be here.

#### **The Open Door Insisted Upon.**

President Roosevelt recognized that fact when he declared that sovereignty has its duties as well as its rights, and that no local Central American Government would be permitted in a spirit of Eastern isolation to close the gates of intercourse on the great highways of the world. Among these gates, the Panama Canal is destined to occupy the most prominent place. In the words of President Roosevelt: "It is to alter the geography of a continent and the trade routes of the world." But if no South American State can be permitted to encumber the trade passing by way of Panama, with such unjust relations as would prevent its general use, neither should it be possible to have the great neutral markets to which this trade is destined monopolized without even the pretense of rightfully acquiring sovereignty by any power which can bring enough military force to overawe the power already in possession.

It was this consideration which prompted the memorable declaration of Secretary Hay, eight years ago, in regard to the open door in China: "The policy of the Government of the United States is to seek a solution which may bring about permanent safety and peace to China, preserve Chinese territorial and administrative entity, protect all rights guaranteed to friendly powers by treaty and international law, and safeguard for the world the principle of equal and impartial trade with all parts of the Chinese Empire. In other words, the United States Government is opposed to the partition of China, and asserts that it has the right to a voice in the settlement of China's future."

The acquisition of the Philippines doubtless tended to give the American people a new perception of the magnitude of their interests in Eastern Asia, and the Boxer rising of 1900, with all its attendant obligations, brought the problem of the Far East home to our people in a way that perhaps no other combination of circumstances could have done. But, apart from all this, an educational influence had been at work which impressed on the public mind the necessity of this country playing as large a part in the unsettled questions of Asia as its commercial and industrial future demanded that it should. Had the colonial Empire of Spain not fallen to pieces before the assault of the naval and military power of the United States, had there been no acute crisis in Chinese affairs demanding our intervention in common with the other treaty powers, there would still have come to our people a perception of the fact that they could not afford to sit idly by while the markets of Asia were being gradually closed.



against them by powers whose interests there were less in magnitude than their own, and whose right to extend a foreign colonial system in defiance of the treaty rights of other nations rested on no solid basis of necessity or equity.

#### **Oriental Trade Opportunities Especially Important to the United States.**

The rapid increase of the exports of American manufactures of late years has furnished convincing evidence not only of the expansion of the productive capacity of the country, but of the necessity of maintaining for the benefit of future generations all the outlets for the results of American skill and labor which they now command. He must be a very shallow student of recent history who fails to see that the conquest of markets by military force is a phase of international rivalry which must be reckoned with no less than their acquisition by the improvement of processes of manufacture and the widening of the field of commercial enterprise. It will avail us little to be able to produce more skillfully or economically than our rivals if they have been ahead of us in the creation of a sphere of territorial influence over which they can throw the protection of an adverse tariff reinforced by constant official pressure in favor of their own manufactures.

It is such considerations which have inevitably brought the United States to the position which it now occupies in regard to affairs in China. Had the thinly veiled designs of the great military powers of Europe against that ancient Empire been left to work themselves out, one certain result would have been to nullify the advantages we possess on the Pacific, and render meaningless every effort we have made to confirm our influence as the greatest of Pacific powers. The natural outcome of these designs could have been nothing less than the partition of the most populous of empires and the richest of all the unexploited regions of the earth among the great powers of Europe, to the destruction of all the rights of trade which we have acquired by treaty with that empire, and to the exclusion for all time of our influence and enterprise from the gigantic and immensely profitable undertaking of equipping China with the appliances and supplying it with the products of modern civilization. It is not the disposal of the cruder products of the field and the mine that need give us any concern. Other nations must buy these to the extent that they fail to extract them from their own soil, and were we content to be exporters merely of cotton, grain, oil, copper, and pig iron, we need give little thought to the way in which the policy of other nations may affect our possible markets. But this country is destined to be the greatest producer and exporter in the world, no less of manufactured articles than of the great primary products which are the foundation of its wealth and greatness.

Were the Middle Kingdom, with all its possibilities and opportunities, part of the continent of Africa, we might have an equally strong commercial interest in its future, but we should hardly be justified in offering to its partition a more vigorous resistance than we made to the passage of Madagascar under French sovereignty and the consequent disappearance of a highly promising market. But in the case of China the commercial interest is reenforced by political considerations of acknowledged potency, by reasons of policy which are founded on a due regard for the free and full development of our national greatness. In short, the place which the United States occupies in the world and the place which it should occupy in future ages is equally challenged by every step made toward the dismemberment of China. It would be for us a disaster of the first magnitude to have on the other side of the Pacific Ocean another Europe facing us, with hundreds of thousands of Chinese mercenaries bearing modern arms and trained by European soldiers as a standing army for each of the spheres of European sovereignty. Such a state of things would be a menace to the peace of the world and to the interests of the United States more serious than any other combination of events which history can possibly have in store.

**Mr. Taft as Our International Reconciler.**

With the force of these considerations, no American public man has been so strongly impressed as William H. Taft, and none has had so many opportunities for their thorough investigation. He has learned by observation on the spot what are the enormous possibilities for commerce offered by a new and progressive China; he has been able to measure at close range the expanding capacity of the Japanese market for American products. Personal intercourse with the men who direct the policy of both countries has given Mr. Taft an insight into the influences which are shaping the destiny of the peoples of the Far East, such as but few of his contemporaries possess. As a result of one of the frequent calls made upon him to fill the rôle of international reconciler, he has appeared as a kind of semi-official envoy both in Japan and China at a time when an authoritative statement of the relations between this country and both of them was invested with unusual importance.

The addresses which Mr. Taft found occasion to make in Japan were as notable for their unqualified repudiation of the idea that there existed any serious cause of difference between the two nations as they were for a frank and dignified assertion of the principles of international conduct, respect for which the United States holds to be demanded alike by the best interests of all competitors for the trade of the Far East, and by the welfare of the people with whom that trade must be conducted. The Chinese magnates who cooperated to make Mr. Taft's second visit to Shanghai a memorable event greeted him in terms seldom applied to a foreigner, and the Chinese merchants of Shanghai combined to make the visit replete with special marks of honor for a guest who represented to them the justice, the disinterestedness, and the magnanimity of the American people.

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**"THE BEST EQUIPPED CANDIDATE WITHIN THE MEMORY OF THIS GENERATION."**

[From the Philadelphia Public Ledger, Ind. Dem.]

Of all the Presidential candidates within the memory of this generation, Taft is unquestionably the best equipped, in training and experience and in wide and close contact with large affairs. In one important respect his equipment is unlike that of any of the Presidents, no one of whom had ever served on the bench. With the exception of those nominated on their military records, and two or three who have been governors of their States, the Presidents have been men whose political training was in the legislative branch. Taft was never in Congress, or even in his State legislature. He is wholly without personal experience in what is called practical politics. He was educated for the bar; early became a judge; the whole trend of his thought and of his ambition has been in the line of the judiciary, and his ingrained judicial temperament it was that made him so conspicuously useful and successful in the many difficult administrative problems he was later called upon to solve.

It was a distinct sacrifice he made when President McKinley took him from a life position that he enjoyed, and that was in line of his dearest hopes, to lay upon him the burden of establishing peace and order in the Philippines. The judgment, tact, and skill with which he carried on that great task; the candid diplomacy with which he smoothed away perplexing obstacles; the unselfish devotion with which he has upheld the interests of those far-away people in the face of indifference at home, were an honor to the nation. The same qualities of a wise adjudicator have been repeatedly at the service of the country. In Cuba, in Panama, in Japan, it has been necessary only to "send for Taft." Misunderstandings are cleared up and difficulties vanish before this gracious personality, this calm, clear, disentangling mind. His intellectual integrity and disinterestedness have been as unmistakable as his quiet strength, his unswerving sense of justice, his absolute honesty. It is not a mind that moves by impulse or in startling flashes; it is a mind well poised and of singular lucidity, that reaches its results by logical principles, which do not antagonize, but convince.



## THE TWO CANDIDATES COMPARED AND CONTRASTED.

**Democratic Analysis of the Record and Qualifications of the Leading Candidates for the Presidency.**

[From the Philadelphia Ledger, Ind. Dem., July 13, 1908.]

The character of the two conventions tells something of the difference in the underlying spirit of the two platforms, but the contrast between the two types of men standing as candidates for President is vastly more significant. It is a contrast so great that all other considerations are obscured by it.

In general training and in administrative experience Mr. Taft is better equipped for the Presidency than any candidate within half a century. All his mature life has been spent in the public service, but never by his own seeking. He has been intrusted successively with many most difficult tasks—as Judge, Commissioner, Governor, Secretary—requiring wide knowledge, clear judgment, discretion, firmness, tact, and every one of them he has fulfilled with a success that commanded admiration and inspired confidence. He has shown himself a man of essentially judicial temperament, not merely learned in the law, but grounded in the broad principles of justice and equity—an eminently systematic mind, that considers, weighs, arranges and adjusts and moves by logical process to clear conclusions. While he has never faltered before a public duty, he has never asserted himself, but has sunk his own ambitions in the public service for which he has been sought. A calm, careful, kindly, quietly forceful man, he makes no fuss, but accomplishes results. If Taft is Roosevelt's candidate, so much the more credit to Roosevelt for choosing a man in so many ways different from himself.

In contrast with Mr. Taft's record of successful achievement, Mr. Bryan has practically no record whatever, except that of a public speaker, a politician and a candidate. His actual public service was confined to two terms in the House of Representatives, where he acquired some familiarity with the politics of the caucus, but manifested no inclination to serious study. He was an unsuccessful candidate for the Senate, and then took to political journalism; was sent as a delegate to the Democratic convention of 1896, made a silver speech that turned the heads of the crowd, was nominated for President—and defeated. This is the sum of Mr. Bryan's experience in public life, apart from his travels as a lyceum lecturer and newspaper writer and his incessant activity in cultivating his political interests. He has never held a post of public responsibility, even in the legislative branch; in administrative duties he is wholly untried, except as concerns the successful organization of his own candidacy. He has made this a profitable profession, and has developed great skill in the art which Governor Pennypacker applauded in Quay—"the management of men in masses." But that is a qualification for a "boss," not for a President.

Taft's peculiar experience has come to him because he was recognized as fitted for it. Bryan has had no such opportunities. This is not only because he has been always in opposition, but because his habit of mind does not suggest his responsible employment. His intellectual character is the reverse of Taft's. He is active, ambitious, assertive. He has the mental alertness of the Western journalist, eager to exploit each new idea, without stopping to go to the bottom of it, and as ready to drop it and turn to something else. He has shown no power of analysis, no grasp of fundamental principles, no capacity for serious study, no sense of logical proportion. In all his treatment of large public questions he is superficial, rhetorical, uncertain and untrustworthy. The only broad grasp that he has displayed is upon the machinery of practical politics, and even here, with his individual mastery, he is dangerously arbitrary and erratic. Twelve years of persistent self-seeking have not brought discipline to a mind that is fundamentally ill-trained.

If we assume, as we may, that the nation will, in the long run, determine its own policies, and expect the President to execute them, which of these two contrasted types is the better fitted for such duty? This is now and will become increasingly the issue of the campaign. It is not really a question of Republican or Democrat. It is a question of Taft or Bryan, with all that each represents.



[From the New York Journal of Commerce, Dem., July 10, 1908.]

Bryan was the predestined candidate, foreordained by his own authority.

To his personality, which was sufficient to carry the nomination, he had to add a "platform" wherewith to carry the election. Being a personal attachment, it should rather be called a net for catching votes. Though many hands were permitted to twist and tangle the strands at Denver, the meshes were devised at Lincoln, Nebraska, and the "platform" as well as the candidate is Bryan-made. Having captured the party he had the right to prescribe the articles of its creed. Instead of being a clear and condensed statement of principles, it is the longest of recorded documents of its kind, with a lure for every form of discontent and a promise for every eager demand. It is meant to catch and to hold all for whom a bait could be provided, except those who think and reason, form convictions for themselves and act upon principles that they understand. It is a tissue of appeals and not a body of principles. It is not an outline for practical legislation or a judicious administration, but a lure for votes and will be worthless when the election is over. It is not intended to last beyond that.

Will the people of the United States be deluded by the monstrous claims and the fruitless promises of William J. Bryan at this late day? His appearance is not meteoric as when he shone forth with his crown of thorns and cross of gold at Chicago twelve years ago. He is a familiar figure and his present exhibition has been worked up with theatrical artifice. It is pyrotechnic and not meteoric, and all the sticks and strings and wheels are visible to the eye. The tumult and the shouting cannot be kept up for months and the people are liable to grow sober and go to thinking. Every constructive and conservative influence will set to work to save the Government from falling into the keeping of a spangled political acrobat and mountebank. His elevation to the head of a nation that has had a line of presidents, worthy at least of respect, for a hundred and twenty years, would be too absurd for a people with a sense of dignity and decorum as well as of humor. He should go to a defeat this time that will make any subsequent pretension grotesque even for him.

[From the New York Evening Post, Dem.]

Every one knows where Mr. Taft will always stand; no one can tell from year to year where the unstable Bryan will land.

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**This country has and this country needs better paid, better educated, better fed, and better clothed workingmen, of a higher type than are to be found in any foreign country. It has and it needs a higher, more vigorous, and more prosperous type of tillers of the soil than is possessed by any other country.—President Roosevelt at Minneapolis, April 4, 1903.**

I believe it to be highly beneficial and entirely lawful for laborers to unite in their common interests. They have labor to sell, and if they stand together they are often able, all of them, to command better prices for their labor or more advantageous terms of employment than when dealing singly, for the necessities of the single employee may compel him to accept any terms offered him. The accumulation of funds for the support of those who propose to enter into the controversy with the employer by striking is one of the legitimate objects of such organization. Its members have the right to appoint officers who shall advise them as to the course to be taken by them in their relations to their employer, and if the members choose to repose such authority in any one the officers may order members, on pain of expulsion, to join a strike. Having left their employment they have the right, by persuasion and other peaceable means, to induce those who would take their places to join the strike and their union. They may not do this by violence, by threats of violence, or by any other conduct equivalent to duress. It is only when the object is not betterment of the terms of their employment or some other lawful purpose, but is for an unlawful purpose or where the means they use are unlawful that they can be properly restrained by law.—Hon. Wm. H. Taft, in correspondence with President Llewelyn Lewis, of the Ohio Federation of Labor.

# CAMPAIGN CONTRIBUTIONS AND PUBLICITY, WITH REFERENCE TO RECEIPTS AND EXPENDITURES.

Much has been said during the past few weeks upon the question of campaign contributions and publicity with reference thereto. A careful analysis, however, of the utterances and pledges of the two candidates, the two National committees, and the law makers of the two parties upon this subject shows that the Democratic promises have been in all cases vague and specious and in such terms as to really supply little of the publicity which they purport to supply; while the Republicans have already actually prohibited, through Republican legislation in Congress, corporation contributions to campaign funds and provided for absolute publicity far in excess of that vaguely promised by the Democratic candidate and committee.

## The Bryan-Taft Correspondence on Publicity.

The public campaign for publicity was begun by Mr. Bryan, when on May 27, 1908, he sent to Mr. Taft the following telegram:

"I beg to suggest that, as leading candidates in our respective parties, we join in asking Congress to pass a bill requiring publication of campaign contributions prior to election. If you think best we can ask other candidates to unite with us in the request.

To this Mr. Taft replied on May 26th:

Your telegram received. On April 30th last, I sent the following letter to Senator Burrows, the Chairman of the Committee on Privileges and Elections of the Senate:

"My dear Mr. Burrows: I sincerely believe that it would greatly tend to the absence of corruption in politics if the expenditures for nomination and election of all candidates and all contributions received and expenditures made by political committees could be made public, both in respect to State and National politics. For that reason I am strongly in favor of the passage of the bill which is now pending in the Senate and House, bringing about this result so far as national politics is concerned. I mark this letter personal because I am anxious to avoid assuming an attitude in the campaign which it is quite possible I shall never have the right to assume, but so far as my personal influence is concerned I am anxious to give it for the passage of the bill.

Very sincerely yours,

WILLIAM H. TAFT.

Since writing the above, in answer to inquiry, I have said publicly that I hoped such a bill would pass.

## Corporation Contributions.

The next step in the Democratic campaign with reference to election funds was the insertion in their platform adopted at Denver in July, 1908, of the following plank:

We pledge the Democratic party to the enactment of a law prohibiting any corporation from contributing to the campaign fund and any individual from contributing an amount above a reasonable amount and providing for the publication before election of all contributions above a reasonable minimum.

In taking this second step with reference to campaign funds and pledging the Democratic party to the enactment of a law prohibiting any corporation from contributing to the campaign fund, Mr. Bryan and his associates seem quite as late as Mr. Bryan was personally in his proposal to Mr. Taft, since it is a fact that the Republican party in Congress had, *more than a year before the meeting of the Democratic convention*, passed in both houses and enacted into law the very proposition which the Democracy pledged themselves to accomplish, viz.: "prohibiting any corporation from contributing to a campaign fund." The law enacted by a Republican House and a Republican Senate in January, 1907, and signed by a Republican President on January 26, 1907, did the very thing demanded by the Democratic convention of 1908, and did it eighteen months prior to the meeting of that convention. The Act passed in January, 1907, by a Republican House and a Republican Senate and signed by a Republican President January 26, 1907, is as follows:



*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it shall be unlawful for any national bank or any corporation organized by authority of any laws of Congress to make a money contribution in connection with any election to any political office. It shall also be unlawful for any corporation whatever to make a money contribution in connection with any election at which Presidential and Vice-Presidential electors or a Representative in Congress is to be voted for or any election by any State Legislature of a United States Senator. Every corporation which shall make any contribution in violation of the foregoing provisions shall be subject to a fine not exceeding five thousand dollars, and every officer or director of any corporation who shall consent to any contribution by the corporation in violation of the foregoing provisions shall upon conviction be punished by a fine of not exceeding one thousand and not less than two hundred and fifty dollars, or by imprisonment for a term of not more than one year, or both such fine and imprisonment in the discretion of the court.*

Thus in the second step in the Democratic campaign with reference to political funds, they find themselves following along lines in which the Republicans had already taken action.

#### **Publicity Before Election.**

Not only had the Republicans, long before this recommendation of the Democratic National convention enacted a law prohibiting corporation contributions to campaign funds, but the Republican party in the House had, by unanimous vote of its members, passed an Act requiring complete publicity of all campaign contributions, this publicity to be made through statements filed with the Clerk of the House of Representatives **NOT LESS THAN TEN DAYS BEFORE THE ELECTION FOR WHICH THESE FUNDS WERE CONTRIBUTED.** *Every vote cast for this bill was cast by a Republican, and every vote cast against it was cast by a Democrat.*

While the Democratic vote was ostensibly cast against the bill because of the fact that it required a report from the Census with reference to the number of votes cast in Southern States and a comparison thereof with the number of white and colored citizens of voting age, the fact remains that the Democratic party in Congress, irrespective of sectional lines, preferred to sacrifice complete publicity in campaign contributions and expenditures rather than couple with it publicity regarding the suppression, by their own party leaders, of the elective franchise as guaranteed by the Constitution of the United States.

#### **Democratic Pledge of Publicity Relates to Only a Part of Its Fund.**

Another important contrast between the methods proposed by the Democratic candidates and committee and those proposed by the Republican candidates and committee is in the **EXTENT** to which publicity is to be carried in reference to the amount of contributions received. The Democratic committee, on the recommendation of Mr. Bryan and Mr. Kern, passed a resolution at its meeting at Fairview, Mr. Bryan's residence, to the effect that "it will accept no individual contribution above \$10,000, and that it will make public before election *all individual contributions above \$100.*" This promise, therefore, is merely that the committee will make public before election a statement of all contributions **ABOVE ONE HUNDRED DOLLARS** in amount, but it makes no promise that any statement will be made of the *total sum received*, the sums which it proposes to publish being simply **"ALL INDIVIDUAL CONTRIBUTIONS ABOVE ONE HUNDRED DOLLARS."** Thus all contributions reaching the committee in checks or sums less than \$100 would not be subject to publication or announcement of any kind. Under this proviso of the Democratic publicity plan, those desiring to avoid publicity in contributions in excess of \$100 could readily do so by dividing the proposed gift into as many separate contributions of \$100 or less as might be required to make the total of the larger sum.

As illustrating the misleading and vague nature of these Democratic promises, it is not improper to call attention to the fact that Mr. Bryan, in the same issue of the Commoner in which he announces with a flourish of trumpets this action as having been taken upon the recommendation of himself and Mr. Kern, makes an appeal to the farmers of the United States,



an appeal signed by himself and Mr. Kern as the candidates of the Democratic party, for contributions of \$100 or less, saying: "There are hundreds of thousands of farmers who are abundantly able to contribute to the campaign fund; there are thousands who could give \$100 apiece without feeling it; there are tens of thousands who could give \$50 apiece without feeling it, and still more who could give \$25 or \$10 or \$5." He asks the farmers to make contributions through his own paper, the Commoner, to a farmers' fund to be turned over to the Democratic National Committee. The last Census of the United States shows that the total number of farms in the United States (and therefore the total number of farmers) was, in 1900 5,739,657; and presumably there must be at the present time over 6 million farmers. Supposing one-third of these to be Democrats, this would give two million individuals appealed to by Mr. Bryan and Mr. Kern to give sums of \$100 downward. Should one-half of this number respond to the appeal the number of contributions from the farmers alone would thus be 1 million. Supposing that their contributions were the lowest named by Mr. Bryan and Mr. Kern—\$5 each—this would give from the farmers alone a campaign fund of \$5,000,000, NOT ONE PENNY OF WHICH IS PROPOSED TO BE IN ANY WAY REPORTED BY THE DEMOCRATIC NATIONAL COMMITTEE in its vaunted publicity of campaign contributions, and this, of course, would also leave all contributions from all other classes when below \$100 in amount, likewise a matter of absolute secrecy with the Democratic National Committee.

Contrast this incompleteness of campaign publicity with the plan proposed by the bill which (printed in full on another page of this volume) passed the Republican House of Representatives May 12, 1898, being supported by every Republican present and voted against by every Democrat whose vote was recorded. That bill provided that the treasurers of political committees should, not less than 10 days before the election, file with the Clerk of the House of Representatives a statement showing the name and address of each person, firm, association, or committee which had contributed \$100 or more; also, THE TOTAL SUM OF ALL CONTRIBUTIONS IN AMOUNTS LESS THAN ONE HUNDRED DOLLARS, and, third, THE TOTAL SUM OF ALL CONTRIBUTIONS.

The promise of the Democratic National Committee is merely to make public a statement of the amount received in contributions of MORE THAN \$100 EACH. The plan proposed by the Republicans and unanimously supported by them, was to make public before election the total sum of ALL CONTRIBUTIONS, whether contributed in sums below or above the \$100 line.

#### **Publicity as to Expenditures Proposed by Republicans but not Mentioned by Democrats.**

Still another and even more striking contrast in the publicity plans proposed by the Democrats and those by the Republicans is found in the fact that the Democrats promise publicity merely with reference to *contributions*, and then only as to those exceeding \$100 each, but promise no publicity with reference to the *objects for which any contributions are EXPENDED*; while the Republican plan proposes publicity as to ALL MONEYS received and all moneys EXPENDED. The resolution of the Democratic committee is absolutely silent as to *any publicity regarding expenditures*. The Act passed by Republican votes in the House of Representatives provides that the treasurers of political committees shall report to the Clerk of the House prior to the election "an itemized statement," showing "the name and address of each person, firm, association or committee to whom such political committee, or any officer, member, or agent thereof has disbursed, contributed, loaned, advanced, or promised any sum of money or its equivalent of the amount of value of \$10 or more and the purposes thereof, and the TOTAL SUM SO DISBURSED \* \* \* where the amount or value of such disbursement \* \* \* is less than \$10." The law of New York State, under which the Treasurer of the Republican National Committee promises to conduct his work

of receipts and expenditures also requires complete statements of *"all receipts, expenditures, disbursements and liabilities of the committee and of every officer, member or other person in its behalf."*

To sum up: The publicity demand of the Democrats for exclusion of corporation contributions to campaign funds comes 18 months after a Republican Congress had enacted and a Republican President signed a law prohibiting such contributions; Mr. Bryan's belated proposal for an appeal to Congress in behalf of publicity came weeks after Mr. Taft had made such an appeal to Congress, and the kind of publicity promised by the Democratic National Committee includes only a small proportion of the sums which it will receive, AND NO PUBLICITY AS TO EXPENDITURES; while the Republican promise of publicity includes the total of all sums contributed and COMPLETE PUBLICITY AS TO EXPENDITURES.

### **The Publicity Pledges of the Democratic Platform and Committee.**

The publicity promise of the Democratic platform of 1908 reads as follows:

"We pledge the Democratic party to the enactment of a law prohibiting any corporation from contributing to a campaign fund and any individual from contributing an amount above a reasonable maximum, and providing for the publication before elections of all such contributions."

The publicity promise of the Democratic National Committee of 1908, adopted at the suggestion of Mr. Bryan (as stated in the "Commoner" of July 24, page 4) is as follows:

*Resolved:* That the Democratic National Committee, in pursuance to the pledge given in the National platform recently adopted at Denver, announces that it will accept no contributions whatever from corporations; that it will accept no individual contributions above \$10,000, and that it will make publication before election of all individual contributions above \$100. Contributions received before October 15th being published on or before that date and contributions received after that date being published on the date upon which they are received, and that no contributions above \$100 shall be accepted within three days of the election."

### **Some Occasions When Mr. Bryan did not Desire Publicity.**

Mr. Bryan's anxiety for publicity with reference to campaign funds seems to be a matter of comparatively recent development, since charges have been publicly made by the New York World and other leading newspapers that Mr. T. F. Ryan, in the campaign of 1904, contributed a large sum to the Democratic campaign fund, of which \$20,000 was sent to the Democratic State Committee of Nebraska, which was attempting to elect a Democratic legislature for the purpose of sending Mr. Bryan to the Senate; and although Mr. Bryan made the assertion that if it proved true he would personally refund that entire sum, no record has been made of any refund by him or of a disproof of the World's charges; while Mayor Dahlman, of Omaha, in an interview widely disseminated frankly admits the receipt of a contribution from the committee, which he says was disbursed by him in the vain effort to swing Nebraska in the Democratic column, and adds "the money did good, and while Roosevelt carried the State by something like 83,000 majority, Berge lost it by less than 10,000 votes. If we had had \$15,000 more we would have carried the State for Berge, our candidate for Governor."

Commenting upon Mr. Bryan's recent attitude with reference to contributions to his campaigns, the New York World (Democratic) of June 1, 1908, has the following:

Mr. Bryan says that if Thomas F. Ryan contributed either directly or indirectly to the Nebraska campaign fund in 1904 he will personally repay every cent of the contribution. Why this sudden sensitiveness in regard to Mr. Ryan? Mr. Bryan allowed the silver-mine owners to contribute \$288,000 to his campaign fund in 1896, and there could be no more sordid purpose than that which prompted those contributions. Mr. Bryan allowed William A. Clark, of Montana, to contribute to his campaign fund, and there has been no more notorious corruptionist in American politics. Mr. Bryan gladly accepted political assistance from Richard Croker, and there is no great mystery as to where Mr. Croker got it. A candidate who could be grateful to Clark and Croker need not be overly squeamish about Ryan. Besides, Mr. Ryan's Nebraska money was spent in a most sanctified cause. The Hon. Jim Dahlman proudly asserts that he disbursed it; that not a cent of it was used to help Parker, and that it was all devoted to the State campaign. Had a fusion Legislature been elected, Mr. Bryan would have been sent to the United States Senate, and Mr. Ryan's tainted contributions would have been doubly sanctified.



The New York World in its special publication issued in February, 1908, entitled "The Map of Bryanism; Twelve Years of Demagoguery and Defeat" says, (pages 12, 13 and 14):

If the obvious self-interest of the silver miners in the 16 to 1 crusade carried on by Democrats and Populists in 1896 had been as well understood as it should have been the names of these men would be as closely associated in the public mind with the Silver Trust as Rockefeller's is with oil or Armour's is with beef. The people have been made well acquainted in recent years with the names of the men interested in beef, in oil, in tobacco, in coal, in copper, in iron and steel and in other commodities the production and sale of which is believed to be governed by trusts. How many of them know or have heard the names of the producers of silver, in whose behalf you, Mr. Bryan, worked as zealously as any trust lawyer ever did for his client? When the Republicans, after many years of evasion, finally refused to take up the cause of the miners, the latter naturally sought the assistance of the Populists and the Democrats, and their reception was more cordial than they had dared to hope for. As you yourself will doubtless agree, the most powerful advocate thus gained was William Jennings Bryan, of Nebraska.

Here is a list of some of the gentlemen who assisted in financing your theory that 50 cents' worth of silver bullion ought to be worth a dollar:

#### Contributions to Mr. Bryan's Campaign Fund.

Marcus a Daly, Montana, principal owner of the Anaconda Mine. This sum of \$159,000.00 represents Mr. Daly's own contribution and sums collected by him .....	\$159,000.00
David H. Moffat, First National Bank, Denver, Col. ....	18,000.00
W. S. Stratton, Colorado, owner of Independence Mine ..	12,000.00
William A. Clark, of Montana .....	45,000.00
Dennis Sheedy, Colorado National Bank, Denver, Col. ....	7,500.00
Charles D. Lane, of California .....	15,000.00
D. M. Hyman, Denver, Col. ....	7,500.00
Other Colorado mining interests .....	6,000.00
Utah mining interests .....	18,372.70
The Treasurer of the fund was J. R. Walker, of Walker Bros., Bankers, Salt Lake City. The chief individual contributors were as follows:	
J. E. Bamberger, President Daly-West Mining Company ....	250.00
W. W. Chisholme, Mine owner .....	250.00
John Beck, Mine owner .....	500.00
T. R. Jones, Ore buyer .....	250.00
O. J. Salisbury, Mine owner .....	500.00
Frank Knox, President National Bank of Rep. ....	100.00
J. McGregor, Mine owner .....	300.00
Centennial Eureka Mine .....	1,500.00
Daly-West Mining Company .....	500.00
W. S. McCormick, President Utah National Bank .....	300.00
First National Bank of Park City .....	500.00
Salt Lake Valley Loan and Trust Company .....	500.00
Daly Mining Company .....	1,000.00
Bullion-Beck Mine .....	1,000.00
P. Farnsworth, Manager, Bullion-Beck Mine .....	250.00
R. C. Chambers and others, owners Ontario Mine .....	2,000.00
Swansea Mining Company .....	200.00
Mammoth Mine .....	249.00
Mammoth Mine employees .....	120.00
Mammoth Mining Company .....	1,000.00
Eureka Hill Mining Company .....	242.00
Gemini Mining Company .....	122.00
Godiva Mining Company employees .....	34.00
Swansea Mining Company .....	69.00
John Beck, Mine owner .....	300.00
Bullion-Beck Mine employees .....	537.00
Geyser Mine employees .....	116.00
Horn Silver Mine employees .....	307.00
John Beck .....	100.00
Total contributions of the silver mine owners to your campaign fund .....	\$288,000.00

These contributions, as you doubtless know, Mr. Bryan, were all recorded in the books of the Democratic National Committee, although in your eloquent appeals for publicity of political contributions you have never referred to the fact that the silver interests financed your Presidential campaign.

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It is better for this country to feed, clothe, and house our own labor in this country than to support foreign labor in other countries with our money.—H. K. Thurber.



**The New York World on the Ryan Contribution to the  
Nebraska Campaign Fund of 1904.**

[From the New York World, May 30, 1908.]

After the Democratic National Convention of 1904 had nominated Alton B. Parker for the Presidency, William J. Bryan returned to his home in Nebraska and began a quiet campaign to secure for himself a seat in the United States Senate. The State legislature to be elected in November, 1904, would have the choosing of a senator. It was the hope of Mr. Bryan and belief of his friends that by an aggressive campaign Nebraska could be carried for the Democracy and that a Democratic legislature would elect him to the senate. At the St. Louis convention Mr. Bryan had assailed fiercely Judge Parker as a candidate of plutocratic interests and had attacked by name August Belmont and other New Yorkers who were backing the Parker campaign. After a week of reflection Mr. Bryan announced in a formal statement that he would support the ticket, but with the following threat: "As soon as the election is over I shall, with the help of those who believe as I do, undertake to organize for the campaign of 1908, the object being to marshal the friends of popular government within the Democratic party to a support of a radical and progressive policy to make the Democratic party an efficient instrument for securing relief from the plutocratic element that controls the Republican party and, for the time being, is in control of the Democratic party."

Within two months after this declaration, there was accepted for Mr. Bryan's interests the sum of \$20,000, contributed by the prince of plutocrats, Thomas F. Ryan.

T. S. Allen is the brother-in-law of Wm. J. Bryan. He married a sister of the Nebraska candidate. Mr. Allen was chairman of the Democratic State Central Committee of Nebraska in 1904 and still holds that office. He is the confidant and recognized political agent of Mr. Bryan.

The Democratic National Campaign of 1904 was named chiefly by August Belmont and Thomas F. Ryan. Each gave \$50,000 to start the campaign fund, and after election had to make up a considerable deficiency. William F. Sheehan and DeLancey Nicoll were their principal political advisers. Thomas Taggart held the nominal position of chairman of the Committee, but the four men named were in control. Mr. Bryan knew them, their records, and the interests they had at stake.

Early in the fall of 1904, Mr. Allen, the brother-in-law of Mr. Bryan, came to New York to consult the campaign managers and to solicit funds to promote the Nebraska campaign, which had for its principal object the election of Mr. Bryan to the United States Senate. Mr. Allen had a conference with Mr. Sheehan and Mr. Nicoll. He did not see Mr. Ryan, but the two lawyers reported to the financial backers, Ryan and Belmont, the progress of the negotiations. As a result, Mr. Ryan agreed to contribute personally \$20,000 to help along the Nebraska campaign. In order to disguise the source of this contribution, Mr. Ryan gave his check to Mr. Sheehan, who in turn gave other checks for the amount to Mr. Allen. The New Yorkers believed they were negotiating with the authorized agents of Mr. Bryan. Furthermore, they gained a distinct impression that they were to receive something in return for Mr. Ryan's money. That something, so they understood, was to be Mr. Bryan's open and unqualified support of Judge Parker in the National Campaign, and further, that he would let up in his attacks on the financiers who were backing the campaign. Mr. Allen accepted the \$20,000 given by Mr. Ryan and went back to Nebraska to spend it in attempts to carry the State for Bryan.

It is on record that Mr. Bryan did come out in favor of Judge Parker, indorsing his candidacy, and made speeches urging radical Democrats to vote for the party's nominee. It also is noticeable that in his campaign speeches of the year Mr. Bryan did not continue his assaults upon Mr. Belmont and the other financiers who were conducting the National Campaign. Mr. Ryan thought for a time that he was getting his money's worth. The election, however, dashed all plans. Not only was Judge Parker defeated, but Nebraska did not elect a Democratic

legislature and Mr. Bryan was not chosen to the United States Senate. Nebraska, despite Mr. Ryan's \$20,000, gave a Republican plurality of 86,000 for Roosevelt, and Mr. Burkett was sent to the senate as a Republican. A few days after the election Mr. Bryan published in his paper, "The Commoner," the following:

"The Democratic party has nothing to gain by catering to organized and predatory wealth. It must not only do without such support, but it can strengthen itself by inviting open and emphatic opposition to those elements. The campaign just closed shows that it is inexpedient from the standpoint of policy as it is wrong from the standpoint of principle to attempt any conciliation of the industrial despots who are gradually getting control of all the avenues of wealth."

In an editorial in the issue in which the above statement was printed (May 30, 1908) the World says:

"Having been an ardent advocate of Campaign Fund Publicity, as shown by his telegram to Secretary Taft, Mr. Bryan will presumably thank the World for affording publicity to T. F. Ryan's contribution of \$20,000 in 1904 to help elect Mr. Bryan to the United States Senate from Nebraska. This money was turned over to Mr. Bryan's brother-in-law, who was his confidential political adviser, as well as chairman of the State committee. That it was intelligently expended in promoting Mr. Bryan's hopeless candidacy we have no doubt. However tainted this \$20,000 may have been at its source, it was sanctified in the uses to which it was put, just as the \$288,000 was sanctified which the silver miners contributed in 1896 to help elect Bryan and create an unlimited market for their product. \* \* \* Mr. Ryan's \$20,000, which went to aid Bryanism in 1904, adds a new argument to the already overwhelming mass of reasons why campaign publicity should be established by law."

### **Bryan's Character as Revealed by the Ryan Booodle Scandal.**

[From the New York Press, June 6, 1908.]

William Jennings Bryan's statement about the Ryan contribution to the Nebraska campaign in 1904 is all that might have been expected from a practical politician trying to take the curse off an ugly business. Mr. Bryan could not look the facts in the face and deal with them broadly and boldly. All that he has attempted to do is to shape the course of the incident so as to escape its worst effects on himself and his party.

So he starts out by giving his own version of what the charges are. In order to strengthen his denial of them he selects the most reckless accusations about the gift of the \$15,000 or \$20,000 by Mr. Ryan and includes them in the indictment. From the Democratic newspaper most bitterly opposed to his renomination he takes the charge that the Ryan booodle was given to procure his open and unqualified support of Judge Parker.

It is easy for Mr. Bryan to score a point against this charge by pointing to the record, which shows that he came out for Parker as soon as the nomination was made, supporting him just as strongly on the day before election as he did at any time before the Ryan money was sent to Nebraska.

The rest of Mr. Bryan's formal statement, which refers to the charges that have not been disproved—the meat of the dispute—is a sad mess of evasion and quibble. Thus he quotes Brother-in-Law Allen and Man Friday Dahlman as declaring that the money in question came from the National committee. "Mr. Allen says that he never saw either Mr. Sheehan or Mr. Ryan and I have no reason to doubt his word." This does not conflict with the confession of Mr. Dahlman that he sent Mr. Allen to New York to raise money for the Nebraska campaign and that Mr. Allen came back with \$15,000. The denial does not show that the money could not have come from Ryan in spite of the fact that Allen did not see either Ryan or Sheehan. Mr. Dahlman does not dispute that the money was Ryan's. Mr. Bryan has talked with Mr. Allen about the business, but he does not disclose the name of the particular individual who paid over the cash that the brother-in-law took back with him to Nebraska when he came to Wall street to get it.

Then the Democratic leader proceeds from this kind of quibbling to the assertion that if Mr. Ryan did give the money, which he still refuses to admit, it was without his knowledge or consent. Furthermore, Mr. Bryan declares that in any event he "had but a remote personal interest in the Nebraska campaign that year." If that is so why does he take such an acute personal interest in the Ryan contribution to the aforesaid campaign? And how does the Ryan contribution, if it was made



without his knowledge or consent to a campaign in which he had only a remote personal interest, make him "unwilling to be, in the slightest degree, obligated to any favor-seeking corporation?" If he knew nothing about the Ryan gift to the Nebraska fund and had no personal interest in the outcome of that contest, he is no more obligated to a corporation by this particular Ryan gift than he would be by Ryan boodle sent to the New York State Committee of his own party or even by a Ryan gift to the Republican State Committee of Pennsylvania or Virginia. Why Mr. Bryan should go down in his own pocket to reimburse Mr. Ryan in the circumstances described by the Nebraskan is a question that may well puzzle anybody.

Yet the Democratic candidate for the Presidency does not absolutely bind himself to return to Mr. Ryan the contribution of which he had no knowledge made to a campaign in which he had only a "remote personal interest." Last week he pledged himself to make restitution if Mr. Ryan contributed the money. Now he qualifies this promise by demanding that, as a condition of the reimbursement, a particular New York newspaper which he names shall prove that Mr. Ryan gave the money "with the understanding that it would be used in the Nebraska campaign." Inasmuch as Mr. Bryan inferentially reserves the right to be the sole judge of whether the proof is sufficient he has a large loophole through which he can welch on his promise to make restitution to the New York Fortunatus.

This incident is of no great consequence in itself in a contest which already has been marked by the lavish secret use of funds, and it is almost academic in relation to the dead past of the 1904 campaign. But it is of immense importance in so far as it reveals the character and attitude of the man who will be one of the nominees for the Presidency of the United States.

#### **The Publicity Bill Passed by Republican Votes in the House and Opposed by all Democrats.**

A bill (H. R. 20112) providing for publicity of contributions made for the purpose of influencing elections at which Representatives in Congress are elected, prohibiting fraud in registrations and elections, and providing data for the apportionment of Representatives among the States.

*Be it enacted, etc.,* That the term "political committee" under the provisions of this act shall include the national committees of all political parties and the national Congressional campaign committees of all political parties and all committees, associations, or organizations which shall in two or more States influence the result or attempt to influence the result of an election at which Representatives in Congress are to be elected.

SEC. 2. That every political committee as defined in this act shall have a chairman and a treasurer. It shall be the duty of the treasurer to keep a detailed and exact account of all money or its equivalent received by or promised to such committee or any member thereof, or by or to any person acting under its authority in its behalf, and the name of every person, firm, association, or committee from whom received, and of all expenditures, disbursements, and promises of payment or disbursement made by the committee or any member thereof, or by any person acting under its authority or in its behalf, and to whom paid, distributed, or disbursed. No officer or member of such committee, or other person acting under its authority or in its behalf, shall receive any money or its equivalent, or expend or promise to expend any money on behalf of such committee until after a chairman and treasurer of such committee shall have been chosen.

SEC. 3. That every payment or disbursement made by a political committee exceeding \$10 in amount be evidenced by a receipted bill stating the particulars of expense, and every such record, voucher, receipt, or account shall be preserved for fifteen months after the election to which it relates.

SEC. 4. That whoever, acting under the authority or in behalf of such political committee, whether as a member thereof or otherwise, receives any contribution, payment, loan, gift, advance, deposit, or promise of money or its equivalent, shall, on demand, and in any event within five days after the receipt of such contribution, payment, loan, gift, advance, deposit, or promise, render to the treasurer of such political committee a detailed account of the same, together with the name and address from whom received, and said treasurer shall forthwith enter the same in a ledger or record to be kept by him for that purpose.

SEC. 5. That the treasurer of such political committee shall, not more than fifteen days and not less than ten days before an election at which Representatives in Congress are to be elected in two or more States, file in the office of the Clerk of the House of Representatives at Washington, D. C., with said Clerk, an itemized detailed statement, sworn to by said treasurer and conforming to the requirements of the following section of



this act. It shall also be the duty of said treasurer to file a similar and final statement with said Clerk within thirty days after such election, such final statement also to be sworn to by said treasurer, and to conform to the requirements of the following section of this act. The statements so filed with the Clerk of the House shall be preserved by him for fifteen months, and shall be a part of the public records of his office, and shall be open to public inspection.

SEC. 6. That the statements required by the preceding section of this act shall state:

First. The name and address of each person, firm, association, or committee who or which has contributed, promised, loaned, or advanced to such political committee, or any officer, member, or agent thereof, either in one or more items, money or its equivalent of the aggregate amount or value of \$100 or more.

Second. The total sum contributed, promised, loaned, or advanced to such political committee, or to any officer, member, or agent thereof, in amounts less than \$100;

Third. The total sum of all contributions, promises, loans, and advances received by such political committee or any officer, member, or agent thereof;

Fourth. The name and address of each person, firm, association, or committee to whom such political committee, or any officer, member, or agent thereof, has disbursed, distributed, contributed, loaned, advanced, or promised any sum of money or its equivalent of the amount or value of \$10 or more, and the purpose thereof;

Fifth. The total sum disbursed, distributed, contributed, loaned, advanced, or promised by such political committee, or any officer, member, or agent thereof, where the amount or value of such disbursement, distribution, loan, advance, or promise to any one person, firm, association, loan, advance, or promise to any one person, firm, association, or committee in one or more items is less than \$10;

Sixth. The total sum disbursed, distributed, contributed, loaned, advanced, or promised by such political committee or any officer, member, or agent thereof.

SEC. 7. That every person, firm, association, or committee, except political committees as hereinbefore defined, that shall expend or promise any sum of money or other thing of value amounting to \$50 or more for the purpose of influencing or controlling, in two or more States, the result of an election at which Representatives to the Congress of the United States are elected, unless he or it shall contribute the same to a political committee as hereinbefore defined, shall file the statements of the same under oath as required by section 6 of this act in the office of the Clerk of the House of Representatives, at Washington, D. C., which statements shall be held by said clerk in all respects as required by section 5 of this act.

SEC. 8. That any person may in connection with such election incur and pay from his own private funds for the purpose of influencing or controlling, in two or more States, the result of an election at which Representatives to the Congress of the United States are elected, all personal expenses for his traveling and for purposes incidental to traveling, for stationery and postage, and for telegraph and telephone service, without being subject to the provisions of this act.

SEC. 9. That the foregoing provisions of this act shall not apply to the proprietors and publishers of publications issued at regular intervals in respect to the ordinary conduct of their business, and nothing contained in this act shall limit or affect the right of any person to spend money for proper legal expenses in maintaining or contesting the results of any election.

SEC. 10. That every person willfully violating any of the foregoing provisions of this act shall, upon conviction, be fined not more than \$1,000 or imprisoned not more than one year, or both.

SEC. 11. That if, at any election for Representative or Delegate in Congress, or at any primary election for the nomination of a candidate for Representative or Delegate in Congress held in pursuance of State or Territorial law, any person knowingly personates and votes, or attempts to vote, in the name of any other person, whether living, dead, or fictitious; or votes more than once at the same election, or primary election, for any candidate for the same office; or votes at a place where he may not be lawfully entitled to vote; or votes without having a lawful right to vote; or does any unlawful act to secure an opportunity to vote for himself, or any other person; or by force, threat, intimidation, bribery, reward, or offer thereof, unlawfully prevents any qualified voter of any State or of any Territory from freely exercising the right of suffrage, or by any such means induces any voter to refuse to exercise such right, or compels or induces by any such means any officer of an election or primary election in any such State or Territory to receive a vote from a person not legally qualified or entitled to vote, or interferes in any manner with any officer of such election or primary election in the discharge of his duties, or by any such means or other unlawful means induces any officer of an election or primary election, or officer whose duty it is to ascertain, announce, or declare the result of such election or primary election, or give or make any certificate, document, or evidence in relation thereto, to violate or refuse to comply with his duty or any law regulating the same, or knowingly receives the vote of any person not entitled to vote, or refuses to receive the vote of any person entitled to vote, or aids, counsels, procures, or advises any such voter, person, or officer to do any act hereby made a crime or omit to do any duty the omission of which is hereby made a crime, or attempts to do so, he shall be punished by a fine of not more than \$500 or by imprisonment not more than three years, or by both, and shall pay the costs of the prosecution.

SEC. 12. That if at any registration of voters for an election for Representative or Delegate in Congress, or for any primary election for the nomination of a candidate for Representative or Delegate in Congress held in pursuance of State or Territorial law, any person knowingly personates and registers, or attempts to register in the name of any other person, whether living, dead, or fictitious, or fraudulently registers or fraudulently attempts to register, not having a lawful right so to do, or does any unlaw-

ful act to secure registration for him or any other person, or by force, threat, menace, intimidation, bribery, reward, or offer, or promise thereof, or other unlawful means, prevents or hinders any person having a lawful right to register from duly exercising such right, or compels or induces by any of such means, or other unlawful means, any officer of registration to admit to registration any person not legally entitled thereto, or interferes in any manner with any officer of registration in the discharge of his duties, or by any such means, or other unlawful means, induces any officer of registration to violate or refuse to comply with his duty or any law regulating the same, or if any such officer knowingly and willfully registers as a voter any person not entitled to be registered, or refuses to so register any person entitled to be registered, or if any such officer or other person who has any duty to perform in relation to such registration or election or primary election, in ascertaining, announcing or declaring the result thereof, or in giving or making any certificate, document, or evidence in relation thereto, knowingly neglects or refuses to perform any duty required by law, or violates any duty imposed by law, or does any act unauthorized by law relating to or affecting such registration or election or primary election, or the result thereof, of any certificate, document, or evidence in relation thereto, or if any person aids, counsels, procures, or advises any such voter, person, or officer to do any act hereby made a crime, or to omit any act the omission of which is hereby made a crime, every such person shall be punished by a fine of not more than \$500 or by imprisonment not more than three years, or by both, and shall pay the costs of the prosecution.

Every registration made under the laws of any State or Territory for any State or other election, or primary election at which such Representative or Delegate in Congress may be nominated or elected, shall be deemed to be a registration within the meaning of this section, notwithstanding such registration is also made for the purposes of any State, Territorial, or municipal election, or primary election.

SEC. 13. That every officer of an election at which any Representative or Delegate in Congress is voted for, or any primary election for the nomination of a candidate for Representative or Delegate in Congress, whether such officer of election be appointed or created by or under any law or authority of the United States, or by or under any State, Territorial, district, or municipal law or authority, who neglects or refuses to perform any duty in regard to such election or primary election required of him by any law of the United States, or of any State or Territory thereof, or who violates any duty so imposed, or who knowingly does any acts thereby unauthorized with intent to affect any such election or primary election or the result thereof, or who fraudulently makes any false certificate of the result of such election or primary election in regard to such Representative or Delegate, or who withholds, conceals, or destroys any certificate of record so required by law respecting the election of any such Representative or Delegate or primary election for the nomination of a candidate for such Representative or Delegate, or who neglects or refuses to make and return such certificate as required by law, or who aids, counsels, procures, or advises any voter, person, or officer to do any act by sections 11 or 12 thereof made a crime, or to omit to do any duty the omission of which is by this or any of such sections made a crime, or attempts to do so, shall be punished by a fine of not more than \$500 or by imprisonment not more than three years, or by both, and shall pay the costs of the prosecution.

SEC. 14. That for the purpose of enabling Congress to apportion Representatives among the several States in accordance with the plan provided in the second section of the fourteenth amendment to the Constitution, the Director or the Census, as soon as practicable after each decennial census of population, shall submit to Congress a report of the population by States as shown by such census, which report shall also show the number of male citizens, white and colored, respectively, in each State, 21 years of age and over, the number of such male citizens in each State found to be illiterate, the number of votes cast by male citizens in each Congressional district at the last preceding general election, the number of such male citizens in each State that had not complied with the registration and election laws therein requiring the payment of a poll or property tax as a condition precedent to the right to register or vote, and the number of such male citizen in each State to whom the right to vote at any election for the choice of electors for President and Vice-President of the United States, Representatives in Congress, the executive and judicial offices of the State or members of the legislature thereof, has been denied or in any way abridged except for participation in crime.

SEC. 15. That all prosecutions under this act shall be commenced within one year after the commission of the offense, and shall be brought in the United States circuit court within the district in which such offense occurred.

The bill passed the house by a vote of 161 to 126, the Republicans voting solidly in the affirmative, including the Speaker, the Democrats in the negative.

In the Senate the bill was referred to the Committee on Privileges and Elections and was not reported because of the threat of Democratic Senators that they would filibuster and kill it by talking it to death.

New York World of May 28, 1908, says of the Democratic vote in the House of Representatives against the bill providing for the publicity of campaign contributions:

"They proved by their votes that they are much less agitated about full publicity of campaign contributions than about full publicity of negro disfranchisement."



# WILLIAM JENNINGS BRYAN.

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## **Mr. Bryan on Government Ownership of Railroads.**

[At Madison Square Garden, New York, Aug. 30, 1906.]

The railroad question is also interwoven with the trust question. Nearly all the private monopolies have received rebates or have secured other advantages over competitors. Absolute equality of treatment at the hands of the railroads would go far toward crippling the trusts, and I rejoice that the President has had the courage to press this question upon Congress. While the law, as it was finally distorted by the Senate, is not all that could be wished, it deserves a fair trial.

Rate regulation was absolutely necessary, and it furnishes some relief from the unbearable conditions which previously existed; but we must not forget that the vesting of this enormous power in the hands of a commission appointed by the President introduces a new danger. If an appointive board has the power to fix rates and can by the exercise of that power increase or decrease by hundreds of millions of dollars the annual revenues of the railroads, will not the railroads feel that they have a large pecuniary interest in the election of a President friendly to the railroads? Experience has demonstrated that municipal corruption is largely traceable to the fact that franchise corporations desire to control the city council and thus increase their dividends. If railroad managers adopt the same policy the sentiment in favor of the ownership of the railroads by the Government is likely to increase as rapidly throughout the country as the sentiment in favor of municipal ownership has increased in the cities.

I have already reached the conclusion that railroads partake so much of the nature of a monopoly that they must ultimately become public property and be managed by public officials in the interest of the whole community, in accordance with the well defined theory that public ownership is necessary where competition is impossible.

I do not know whether a majority of the members of the party to which I have the honor to belong believe in the government ownership of railroads, but my theory is that no man can call a mass convention to decide what he himself shall think. I have reached the conclusion that there will be no permanent relief on the railroad question from discrimination between individuals and between places, and from extortionate rates, until the railroads are the property of the Government and operated by the Government in the interests of the people.

And I believe—I believe that there is a growing belief in all parties that this solution, be it far or near, is the ultimate solution. But, my friends, to me the dangerous centralization is a danger that cannot be brushed aside. The greatest danger of a republic is the consolidation of all power at the capital remote from the people, and because I believe that the ownership of all the railroads by the Federal Government would so centralize power as to virtually obliterate State lines, instead of favoring the Federal ownership of all railroads, I favor the Federal ownership of trunk lines only, and the State ownership of all the rest of the railroads.

Some have said that it would be impracticable to allow the local lines to be owned by the several States. I did not believe the argument weighty before I went abroad, and my observations in other lands have convinced me that State ownership of local lines is entirely feasible. In Germany almost all the railroads are owned not by the Empire, but by the several States—not even the trunk lines are owned by the Federal Government, and yet they have no difficulty about interstate traffic.



I have simply mentioned this because you cannot well discuss the trust question without discussing the railroad question, and while I regard the railroad question as it now presents itself, as a part of the trust question, and not a paramount issue, I could not in frankness withhold my views on his subject and therefore, I have said what I said.

[At Louisville, Ky., September 12, 1906.]

In my speech at the New York reception I made some remarks concerning the government ownership of railways, and thought I had expressed myself so clearly that my position could not be misconstrued, even by those who desired to misconstrue it. The New York speech was prepared in advance. It was not only written, but it was carefully revised. It stated exactly what it wanted to state, and I have nothing to withdraw or modify in the statements therein made. What I say to-night is rather in the nature of an elaboration of the ideas therein presented.

After quoting from the Democratic platform of 1900 that a private monopoly is indefensible and intolerable," and after laying it down as a principle that public ownership should begin where competition ends and that the people should have the benefit of any monopoly that might be found necessary, I stated that I had reached the conclusion "that railroads partake so much of the nature of a monopoly that they must ultimately become public property and be managed by public officials in the interest of the whole community."

I do not know that the country is ready for this legislation. I do not know that the majority of my own party favors it, but I believe an increased number of the members of all parties see in public ownership a sure remedy for discrimination between persons and places and for the exorbitant rates for the carrying of freight and passengers.

I then proceeded to outline a system of public ownership whereby the advantages of public ownership might be secured to the people without the dangers of centralization. This system contemplates Federal ownership of the trunk lines only, and the ownership of local lines by the several states.

I further expressed it as my opinion that the railroads themselves were responsible for the growth of the sentiment in favor of public ownership and said that, while I believed the rate bill recently enacted should be given a fair trial, we might expect to see the railroads still more active in politics unless our experience with them differed from the experience we had had with franchise-holding corporations.

This statement of my views has been assailed by some as an attempt to force these views upon the Democratic party and by some as an announcement of an intention to insist upon the incorporation of these views in the next Democratic national platform.

Let me answer these two charges. I have tried to make it clear that I expressed my own opinion and I have never sought to compel the acceptance of my opinion by anyone else. Reserving the right to do my thinking, I respect the right of every one else to do his thinking.

If you ask me whether the question of government ownership will be an issue in the campaign of 1908, I answer I do not know. If you ask me whether it ought to be in the platform, I reply, I cannot tell until I know what the Democratic voters think upon the subject. If the Democrats believe the next platform should contain a plank in favor of government ownership, then that plank ought to be included. If the Democrats think it ought not to contain such a plank, then such a plank ought not to be included.

It rests with the party to make the platform and individuals can only advise. I have spoken for myself and for myself only, and I did not know how the suggestion would be received. I am now prepared to confess to you that it has been received more favorably than I expected.

There is this, however, I do expect, namely, that these Democrats who oppose public ownership will accompany their

declaration against it with the assertion that they will favor government ownership whenever they are convinced the country must choose between government ownership of the roads and railroad ownership of the government.

[At East Radford, Va., September 15, 1906.]

Two years ago I had reached the conclusion that the government ownership of railroads was the only solution of the question. I did not say it when I was the leader of the party in either campaign; in fact, I had not reached the conclusion until a few years ago. When I was relieved of leadership at St. Louis, and could speak as a private individual, I stated my conclusions. My convictions have grown since, and in New York I stated it as my opinion that that was the ultimate solution. I said I did not know whether the country was ready for it, or whether a majority of the Democrats favored it.

Now, I want to say that my position has been misstated, and in some places misconstrued. I have been accused of favoring a thing that would lead to centralization. Let me remind you that this plan not only does not lead to centralization, but it is the first suggestion made in many years that looks toward the strengthening of the State and making a bulwark against centralization. People have been discussing public ownership with the idea that the Federal Government would own the railroads, and it seemed to me that that was fraught with danger, because I believe in the Democratic doctrine of local self-government, and that our opinion is strongest when the independence of the State and the conduct of its own affairs is recognized and respected.

I believe in our constitutional doctrine that local things are for the States, and national affairs for the Federal Government, and therefore, instead of advocating a Federal ownership that would centralize all this power at Washington, I advocate a dual plan, whereby only the trunk lines would be under the control of the Federal Government and all the local lines under the control of the State government.

If anybody denies that it is practicable, I cannot but tell them that in the Empire of Germany almost all the railroads are owned by the separate states, and that today the Empire wants to get the railroads in order to strengthen the Federal Government, but the States refuse to surrender them, because they are the influential strength of the states of the Empire of Germany. So, my friends, instead of being for centralization, this is the plan that gives to the State the power to strengthen itself and to attend to its own affairs.

I am not here to bring you to my conclusions on the railroad question. So far as I am concerned, it does not matter to me whether or not every man in the United States agrees with me or not. I believe that every man ought to have his own beliefs and his own convictions, and when he has convictions on the subject of public matters, I believe that he ought to give them to the people and take the responsibility for them.

[In letter to Henry M. Whitney, of Boston, March 25, 1907.]

I am in favor of both National and State regulations, but I also believe that public ownership is the ultimate solution of the railroad question. In my discussions on this subject I have pointed out that because of the danger of centralization in ownership by the Federal Government of all the lines I prefer a system in which the Federal Government will be confined to the necessary trunk lines and the ownership of the rest of the lines be left to the States. This, however, is not an immediate question; at least, I am not sure that the people are ready to consider the question of public ownership, and until they are ready to consider that question the interest is centered in regulation.

[In letter to Wall Street Journal, April 6, 1907, published April 10, 1907.]

For some fourteen years after my entrance into National politics I hoped for effective railroad legislation and was



brought reluctantly to the belief that government ownership furnished the only satisfactory remedy for the discrimination, rebates, and extortions practiced by the railroads and for the corruption which they have brought into politics.

My first public expression on this subject was after the National convention in 1904. Two reasons led me to discuss the subject at that time. First, the triumph of the reactionary element at St. Louis discouraged the more radical members of our party. Feeling sure, from contact with the rank and file of our organization, that the ascendancy of the so-called conservative leaders would be temporary, I appealed to the radical Democrats to remain with the party, secure control of the organization, and make the party an effective instrument in securing needed reforms.

To encourage these progressive Democrats to remain with the party I announced the conclusion which I had reached in regard to the final necessity for government ownership. \* \* \* At this time a majority of the people still seem to have faith in the regulation, and the first thing necessary is to ascertain the present value of the railroads and then prevent any more watering of stock. I shall assist as far as I am able to test regulation under as favorable conditions as can be created, but having reached the conclusion that, in the end, regulation will be found ineffective, I have stated my conclusions.

As I was slow in reaching this conclusion myself I can be patient with those who honestly fear government ownership. In the meantime, I am anxious that those who become convinced of the necessity of government ownership shall consider the plan which reduces centralization to a minimum and adds to the influence and vigor of the state.

#### Bryan on Government Ownership of Railroads.

[New York World, February, 1908; printed in daily Congressional Record, May 29, 1908.]

Most people believe, Mr. Bryan, that your first proclamation of government ownership of railways was made at New York City August 30, 1906, on your return from Europe. Such is not the case. The plan of reorganization to "rid the Democratic party of plutocracy," which you promised on the adjournment of the Kansas City convention in 1904, was given to a waiting world on July 21, 1904. You stated the case of government ownership of railroads as follows:

"I have heretofore refused to take a position on the question of government ownership of railroads, first, because I had not until recently studied the subject; and, secondly, because the question had not been reached. Recent events have convinced me that the time is now ripe for the presentation of this question. Consolidation after consolidation has taken place until a few men now control the railroad traffic of the country and defy both the legislative and executive power of the nation. I invite the Democrats, therefore, to consider a plan for the government ownership and operation of the railroads. The plan usually suggested is for the purchase of those roads by the Federal Government. This plan, it seems to me, is more objectionable than a plan which involves the ownership and operation of these roads by the several States. To put the railroads in the hands of the Federal Government would mean an enormous centralization of power. It would give to the Federal Government a largely increased influence over the citizen and the citizen's affairs, and such centralization is not at all necessary. The several States can own and operate the railroads within their borders just as effectively as it can be done by the Federal Government, and if it is done by the States the objection based upon the fear of centralization is entirely answered. A board composed of representatives from the various States could deal with interstate traffic just as freight and passenger boards now deal with the joint traffic of the various lines. If the Federal Government had the railroads to build there would be constant rivalry between different sections to secure a fair share of the new building and improvement, but where this is left to the State the people in each State can decide what railroads they desire to build or to buy."

Later, in April, 1905, at a dinner given by the Iroquois Club, of Chicago, on the birthday of Thomas Jefferson, the greatest of American individualists, you repeated and elaborated this highly ornamental scheme of triple State socialism.

August 29, 1906, you returned to New York in triumph from a trip around the world, to be greeted by Democrats from nearly every State in the Union as their candidate for President.

You undertook in your speech at Madison Square Garden, August 30, to sound the keynote of a government ownership campaign:

"I have already reached the conclusion that railroads partake so much of the nature of a monopoly that they must ultimately become public property and be managed by public officials in the interest of the whole community, in accordance with the well-defined theory that public ownership is necessary where competition is impossible. I do not know whether a majority of the members of the party to which I have the honor to belong believe in the Government ownership of railroads, but my theory is that no man can tell



a mass convention to decide what he himself shall think. I have reached the conclusion that there will be no permanent relief on the railroad question from discrimination between individuals and between places and from extortionate rates until the railroads are the property of the Government and operated by the Government in the interest of the people. And I believe that there is a growing belief in all parties that this solution, be it far or near, is the ultimate solution. But to me, my friends, the danger of centralization is a danger than can not be brushed aside. The greatest danger of a republic is the centralization of power at the capital remote from the people, and because I believe that the ownership of all the railroads by the Federal Government would so centralize power as virtually to obliterate State lines, instead of favoring the Federal ownership of all railroads, I favor the federal ownership of trunk lines only and the state ownership of all the rest of the railroads."

Impressed by vehement protests against the marriage of Democracy to State socialism, you began at Louisville, September 12, 1906, your masterful retreat:

"I advocate strict regulation and shall rejoice if experience proves that that regulation can be made effective. \* \* \* Yet I would not be honest with you if I did not frankly admit that observation has convinced me that government ownership can be undertaken on the plan indicated with less danger to the country than is involved in private ownership as we have had it or as we are likely to have it. \* \* \* You say that all these abuses can be corrected without interference with private ownership. I shall be glad if experience proves that they can be, but I no longer hope for it."

The retreat ended at Lincoln, July 19, 1907, when you asked for an armistice in these words:

"Government ownership is not an immediate issue. While many Democrats believe"—and Mr. Bryan is one of the number—"that public ownership offers the ultimate solution of the problem, still those who believe that the public will finally in self-defense be driven to ownership recognize that regulation must be tried under the most favorable circumstances before the masses will be ready to try a more radical remedy."

Do you think that the Democratic party can convince voters that it honestly favors regulation of railroads if it nominates a candidate who believes in government ownership and who has proclaimed in advance his belief that regulation will prove a failure? Do you think that the American people could safely trust you to carry out a policy of regulation with which you have no sympathy and for whose effectiveness to remedy abuses you have no hope?

### **The United States Courts and the Trusts—Let Us See, Mr. Bryan.**

[Printed in New York World, February, 1908; printed in daily Congressional Record, May 29, 1908.]

Let us see, Mr. Bryan, whether your campaign against the Federal courts had a more rational inspiration than your campaign for a 50-cent dollar.

You gave your followers to understand that the United States courts were prejudiced in behalf of the rich and powerful—were, in fact, controlled by trusts and corporations—and were deaf to the welfare of the people as a whole. Not only have you appealed to mob passion against Federal courts of justice and threatened to pack the Supreme Court, but you have persistently advocated short terms and popular elections for United States judges in order to make them creatures of popular clamor. We have, therefore, thought proper to indicate here as briefly as possible important cases arising since 1896 in which proceedings have been begun or judgment has been entered against the very interests which you charged were privileged.

The list is instructive in many ways, but in none is it more so than in its complete refutation of the slanders of socialistic demagogism.

In 1898 the Supreme Court of the United States reversed the circuit court, southern district of New York, and the circuit court of appeals, and enjoined the Joint Traffic Association from violating the antitrust law. By the action of the court it was dissolved.

In 1899 the Supreme Court sustained the circuit court of appeals, sixth circuit, in the matter of an injunction restraining the operations of the cast-iron pipe trust, known as the Addystone Pipe case.

In 1900 the Supreme Court sustained the constitutionality of the antitrust law of Texas, one of the most drastic yet adopted.

In 1904 the Supreme Court, having the cases against the beef trust before it, decided: (1) Traffic in live stock transported from State to State is interstate commerce, and persons engaged in buying and selling such live stock are engaged in interstate commerce; (2) the combination between dealers to suppress all competition in the purchase of live stock is an unlawful restraint of trade; (3) the combination between dealers to fix and maintain a uniform price in the sale of meat throughout the country is an unlawful restraint of trade; (4) the combination of dealers to obtain preferential railroad rates is an unlawful restraint of trade, and (5) all combinations suppressing competition fall under the prohibition of the Sherman antitrust act.

In 1904 the Supreme Court affirmed the decree of the circuit court, Minnesota, enjoining the Northern Securities Company from purchasing, acquiring, receiving, holding, voting, or in any manner acting as the owner of any of the shares of stock of the Northern Pacific and Great Northern Railway Companies, and restraining the Northern Securities Company from exercising any control over the corporate acts of said companies.

In 1905 the Supreme Court affirmed a decree of the circuit court, northern Illinois, enjoining various great packers in Chicago, commonly known as the "beef trust," from carrying out an unlawful conspiracy between themselves and railway companies to suppress competition.

In 1906 the Supreme Court affirmed various judgments of United

States courts in Wisconsin and Minnesota against the General Paper Company, which had been proceeded against as a trust. The combination was, by the decision of the Supreme Court, finally dissolved.

In 1906 the Supreme Court decided the celebrated Chicago street railway franchise case in favor of the city and against the traction trust.

In 1899 a bill was filed in the circuit court, southern Ohio, to annul a contract and dissolve a combination of producers and shippers of coal in Ohio and West Virginia, formed for the purpose of selling coal at not less than a given price, to be fixed by a committee. The trust was enjoined, and the combination was dissolved.

In 1902 the circuit court, northern California, perpetually enjoined the Federal Salt Company (the salt trust) from suppressing competition west of the Rocky Mountains.

In 1903 the salt trust was indicted in the same court, pleaded guilty, and was sentenced to pay a fine of \$1,000.

In 1905 the Chicago, Burlington and Quincy Railroad Company was convicted in Missouri, under the Elkins Act, of charging less than established freight rates, and was fined \$15,000. Similar prosecutions in Kentucky resulted also in convictions and fines.

In 1905, in Missouri, Thomas & Taggart were convicted of conspiracy to obtain rebates. Thomas was sentenced to jail for six months and fined \$6,000, and Taggart was sentenced to jail for three months and fined \$4,000.

In 1905 Weil and others were convicted in Illinois of receiving rebates and were fined \$25,000 each.

In 1905 the Chicago, Burlington and Quincy Railroad Company and various of its officers were convicted in Illinois of granting rebates. The corporation was fined \$40,000 and the officers \$10,000 each.

In 1906 proceedings were begun in the southern district of New York against the tobacco trust. These resulted in several convictions, fines of \$10,000 and \$8,000 being inflicted upon two of the defendants.

In 1906 Swift & Co., Armour & Co., Nelson Morris Company, and the Cudahy Company, of Chicago, were convicted in Missouri of receiving rebates and were fined \$15,000 each.

In 1906 the American Sugar Refining Company and others were convicted in New York of receiving rebates, and fines aggregating \$88,000 were inflicted.

In 1906 the New York Central and Hudson River Railway Company and others were convicted in New York of granting rebates, and fines aggregating \$114,000 were assessed.

In 1906 the Ann Arbor Railroad Company was convicted in Michigan of granting rebates and was fined \$15,000.

In 1907 John M. Faithorn, of the Chicago and Alton Railway Company, was convicted in Illinois of granting rebates and was fined \$25,000.

In 1907 the Standard Oil Company, of Indiana, was convicted in Illinois on 1,462 counts of receiving rebates and was sentenced to pay a fine of \$29,240,000.

### Bryan the Candidate of the Silver Trust.

[New York World, February, 1908; printed in daily Congressional Record, May 29, 1908.]

Your leadership of the Democratic party, Mr. Bryan, began with the national convention held in Chicago in 1896. It was an unfortunate year for a national campaign.

The American people were paying the penalty of thirty years' of trifling with their currency and their monetary standard of value. Industry was half paralyzed, commerce semiprostrate. Crops had been poor, the price of farm products was low; the farms themselves were generally mortgaged. The National Government itself, with a demoralized Treasury, was borrowing money to pay its current expenses under the form of maintaining the gold reserve. Bond sales to favored syndicates had aroused the indignation of the people, without regard to party. Probably a million men in the cities were out of work. Soup houses had been opened during the two preceding winters, and in every large center of population police stations had been filled nightly by homeless wanderers.

Armies of tramps moved sullenly along the highways. A Democratic Administration was in power which seemingly had no friends except its own appointees and beneficiaries. Discontent was almost universal. It was the hour of the agitator, and the Democratic national convention was his opportunity.

When a temporary organization of the convention was effected the elements of repudiation and political revolution found that while they had a majority of the delegates, they did not have the two-thirds majority necessary, in accordance with Democratic precedent, to nominate a candidate for President. This embarrassment was short lived.

The silver forces, by prearranged plan, had sent contesting delegations from many States, including Nebraska. Only a majority vote was necessary to adopt the report of a committee. The committee on credentials therefore uncreated enough conservative delegates to insure a radical two-thirds majority for nominating purposes, and the issue was no longer in doubt.

You, Mr. Bryan, were at the head of the contesting delegates from Nebraska when they marched into the convention hall to take the seats of the sound-money delegates that had been evicted.

The money plank in the platform, which the convention adopted by a vote of 626 to 303, was as follows: \* \* \*

"We demand the free and unlimited coinage of both silver and gold at the present legal ratio of 16 to 1 without waiting for the aid or consent of any other nation. We demand that the standard silver dollar shall be a full legal tender, equally with gold, for debts, public and private, and we favor such legislation as will prevent for the future the demonetization of any kind of legal-tender money by private contract. \* \* \*

The great silver mine owners of the world were in despair over the depreciation in price of their metal. Its use for money of redemption



had been discontinued by the leading commercial nations. The India mints had been closed to its coinage. Congress had been forced to repeal the Sherman silver act, which had made the National Government a heavy purchaser of silver in the market.

The business of the mining operators was in a bad way and ruin stared many of them in the face unless the Government of the United States created an unlimited market for their product by throwing open its mints to the free and unlimited coinage of silver.

Never was a political propaganda more vehemently and desperately advocated, and never were the selfish interests behind it more adroitly concealed. If the obvious self-interest of the silver miners in the 16 to 1 crusade carried on by Democrats and Populists in 1896 had been as well understood as it should have been the names of these men would be as closely associated in the public mind with the silver trust as Rockefeller's is with oil or Armour's is with beef.

The proposition which you advanced, Mr. Bryan, contemplated opening the mints of the United States to the free coinage on private account at the rate of less than 50-cents' worth of bullion to the dollar of whatever portion of this enormous stock of silver its owners or speculators might be moved to present. You asserted that free coinage and the fiat of Government would instantly raise every 50-cent token thus minted to parity with gold.

If so, the wealth of all owners and producers of silver would have been doubled.

Here is a list of some of the gentlemen who assisted in financing your theory that 50-cents' worth of silver bullion ought to be worth a dollar:

#### Contributions to Mr. Bryan's Campaign Fund.

Marcus A. Daly, Montana, principal owner of Anaconda mine.

This sum of \$159,000 represented Mr. Daly's own contribution and sums collected by him.....	\$159,000.00
David H. Moffat, First National Bank, Denver, Colo.....	18,000.00
W. S. Stratton, Colorado, owner of Independence mine.....	12,000.00
William A. Clark, of Montana.....	45,000.00
Dennis Sheedy, Colorado National Bank, Denver, Colo.....	7,500.00
Charles D. Lane, of California.....	15,000.00
D. M. Hyman, Denver, Colo.....	7,500.00
Other Colorado mining interests.....	6,000.00
Utah Mining interests .....	18,372.00

Total contributions of the silver-mine owners to your campaign fund..... 288,000.00

These contributions, as you doubtless know, Mr. Bryan, were all recorded in the books of the Democratic national committee, although in your eloquent appeals for publicity of political contributions you have never referred to the fact that the silver interests financed your Presidential campaign. \* \* \*

### BRYAN FAVORS PERMANENT RETENTION OF PART OF THE PHILIPPINES.

**Proposes to Retain Choice Sections and Set Up the Area so Retained as an "Oriental Territory," of the United States with a Delegate in Congress.**

Mr. William Jennings Bryan seems to have changed his views as to the justice of American control in the Philippines, and now favors the retention of Philippine territory for permanent ownership by the United States. At least this was his view in 1906, after a visit to those islands. In one of his syndicate letters (sold to American newspapers at so much per column), during his trip around the world, he put forth the proposition that the United States Government should take permanent possession of such portion of the Philippine Islands and harbors as it might choose, and give the Filipinos independence and protection in only such of the area as might remain. Even this proposition of generously allowing them to retain such parts of the islands as we might not want for our own permanent occupancy and ownership is to be confined for the present to the northern part of the group, and full control retained indefinitely (with a shadowy promise of something sometime) in the southern islands, especially in the large and extremely fertile island of Mindanao (about the size of the State of Indiana), which, he naively remarks, "seems to be the most inviting place" for Americans.

The following are extracts from the letter, as published in the Washington Post of April 29, 1906, and in many other newspapers of the United States and Europe, the letter being, it will be observed, "copyrighted in Great Britain." The letter was also published in full in Mr. Bryan's own paper the "Commoner" on May 4, 1906.



By William Jennings Bryan.

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SINGAPORE, Jan. 22, 1906.

In speaking of Philippine independence I have presented some of the reasons given by Filipinos for desiring it, but there are arguments which ought to appeal especially to Americans. If it were our duty to maintain a colonial policy, no argument could be made against it, because duties are imperative and never conflict. If, on the other hand, the Filipinos desire independence and are capable of self-government, we cannot justify the retention of the islands unless we are prepared to put our own interests above theirs, and even then we must be satisfied that our interests will be advanced.

If it is urged that we need the Philippine Islands as a base for the extension of our trade in the Orient, I answer that it is not necessary to deny the Filipino independence in order to hold a sufficient number of harbors and coaling stations to answer all requirements of trade. The Filipinos are not only anxious to have the advantage of our protection, but they recognize that to protect them we must have harbors and a naval base. In return for the services we have rendered them *we have the right to ask*, and they would gladly grant, *such reservations as we might need*. These reservations could be properly fortified and would furnish coaling stations both for our own navy and for our merchant marine.

\* \* \* \* \*

If our nation would at once declare its intention to treat the Filipinos living north of Mindanao as it treated the Cubans, and then proceed, first, to establish a stable government, patterned after our own; second, to convert that government into a native government by the substitution of Filipino officials as rapidly as possible; third, to grant independence to the Filipinos, *reserving such harbors and naval stations as may be thought necessary*; and fourth, to announce its purpose to protect the Filipinos from outside interferences while they work out their destiny—if our nation would do this, it would save a large annual expense, protect its trade interests, gratify the just ambitions of the Filipinos for national existence, and repeat the moral victory won to Cuba.

In return for protection from without, the Filipinos would agree, as the Cubans did, that in their dealings with other nations they would not embarrass us.

*The reservations retained could be converted into centers for the extension of American influence and American ideals, and our nation would increase its importance as a real world power.* \* \* \*

Our reservations ought to contain model schools, with a central college, experimental farms, and institutions in which the people could be trained in the arts and industries most suited to the natural resources of the country. At our reservations there would be religious freedom, freedom of speech, freedom of press, self-government, and public instruction for all, and every uplifting influence would have free play. If we believe right makes might and that truth has within itself a propagating power, we cannot doubt the spread of American civilization from these American centers.

While the Philippine Islands are under American authority, the government ought to be administered for the benefit of the Filipinos, in accordance with Secretary Taft's promise. If they are to be subject to our tariff laws when they buy of other nations, they ought to have free trade with us, but the Philippine Islands are so far from us that it would be more just to allow the Philippine tariff to be made by the Philippine assembly soon to be established. The Filipinos belong to the Orient, and their dealings must be largely with the countries of the Orient; unless they are in a position to have their tariff laws conform to their geographical position, there must necessarily be friction and injustice.

So important are geographical considerations that Americans who see fit to take up their residence upon such reservations as we retain for harbors, coaling stations, and a naval base ought to be freed from the fetters of our tariff laws and shipping laws.

I even venture to suggest the creation of an Oriental territory, to be composed of such stations and reservations as we may now have or hereafter acquire in the Orient. This territory should have a delegate in Congress like other territories, but should be free by constitutional amendment from our tariff laws and permitted to legislate for itself upon this subject. It could thus establish free ports, if it chose, and give to its people the trade advantages enjoyed by those who live in Hong Kong, Singapore, and other open ports.

\* \* \* \* \*

In what I have said about independence and self-government in the Philippines, I have been speaking of Luzon and the other islands north of Mindanao. As I have already pointed out, the conditions existing in Mindanao and Sulu archipelago are so different from those existing in the northern islands that the two groups must be dealt with separately. It would not be fair to deny independence to the Christian Filipinos living in the north merely because the Moros have never shown any desire to adopt a republican form of government. (They live under a sort of feudal system, with sultan and datto as the ruling lords.) But while the work of establishing a stable government among the Moros is a more difficult one and will proceed more slowly, the same principles should govern it. \* \* \* While I do not believe that any large number of Americans could be induced to settle permanently in Mindanao (and Mindanao seems to be the most inviting place), there will be ample time to test this question while a government is being established among the Moros.

So it appears that Mr. Bryan, after seeing the islands, has become an Imperialist in the full sense of the word, and calmly proposes that instead of governing them with the plan of ultimate independence for all their people and territory, we shall seize as much of the territory as we may desire, including, of course, its best harbors, and set it up as a Territory of the United States, without any question as to the wishes of the people there residing and owning homes. He has insisted that the Republican policy of depriving the Filipinos of self-government even temporarily is wrong; now he proposes to compel them to pay for independence in a part of their territory by giving up another part to become permanently a part of the United States. Nor does he indicate how large an area he would compel them to pass over to us, whether one-tenth, one-fourth, or one-half of the islands would ultimately become the proposed "Oriental Territory," with a delegate in the United States Congress.

If one visit to the islands convinces Mr. Bryan that we should retain a part of their area (the most valuable of course) and make it a Territory of the United States, with a delegate in Congress, would another visit convince him that we should retain them all and bring them in as States, with Senators and Representatives?

Mr. Bryan has asserted that we were and are doing the Filipinos great injustice by depriving them of independence. Now he proposes that we compel them to buy that independence for a part of their people by giving us therefor a part of their area and population, and that we make that area a Territory of the United States. If it was wrong to even temporarily deprive the islands as a whole of independence, how would it be right to take a part of that territory (no matter how small) and make it forever subject to the United States, forcing the people to assent to this as the price of giving up the remainder? Does he propose that we must now be paid for doing what he says should have been freely done long ago?

The national Democratic platform also supports the proposition in modified form, as follows:

"We favor an immediate declaration of the nation's purpose to recognize the independence of the Philippine Islands as soon as the stable government can be established, such independence to be guaranteed by us as we guarantee the independence of Cuba, until the neutralization of the islands can be secured by treaty with other powers. *In recognizing the independence of the Philippines our government should retain such land as may be necessary for coaling stations and naval bases.*"

**Bryan Yearns over Filipinos, but will not Imperil his Political Chances to Demand Justice for the American Negro**

[New York Evening Post, Democratic.]

Mr. Bryan made his great bid for Southern delegates last night, and we do not doubt that he will get them. In answer to a question after his address on "Universal Brotherhood" before the Cooper Union, he stood up openly for negro disfranchisement in the South. Of course, he had to put in the usual assertion that if Northern Republicans had lived in the South they would have done the same as Southern Democrats, but what has that to do with a question of morals and of law, which Mr. Bryan was professing to discuss without any personal or party interest? He yearns over the oppressed Filipino; his heart bleeds for the poor and down trodden everywhere; yet when it comes to equal treatment for the black men of his own country, all he has to say is that "the white men of the South are determined that the negro shall be disfranchised everywhere it is necessary to prevent the recurrence of the horrors of carpet-bag rule." This will be telegraphed all over the South to-day, and will doubtless set off the opposition to Bryan there, but it leaves his "Universal Brotherhood" looking like the cheapest kind of cant. The wronged negro asks: "Am I not a man and a brother," but Mr. Bryan's reply is: "Not if you live in the South, and if saying so would imperil my political fortunes."



**Bryan says he is More Radical than in 1896.**LONDON, *July 12, 1906.*

William J. Bryan, having read the American newspapers, contented to-day to discuss questions raised since he again became prominent as a Presidential possibility. He said:

"I notice that I am now described by some as a conservative. In the same sense I always have been a conservative. The Democratic policies are conservative in that they embody old principles applied to new conditions.

"If, however, by the word conservative they mean that I have changed my positions on any public question or moderated my opposition to corporate aggrandizement they have a surprise waiting for them. I am more radical than I was in 1896 and have nothing to withdraw from the economic questions which have been under discussion.

"The only question we discussed in 1896 upon which there has been an apparent change is the silver question, and that has not been a change in the advocates of bimetallism, but in conditions. I believe in bimetallism, and I believe that the restoration of silver would bring still greater prosperity, besides restoring par in exchange between gold and other using countries; but I recognize, as do all other bimetallists whom I have met abroad, that the unexpected and unprecedented increase in silver production has for the present removed the silver question as an issue."

At the Fourth of July meeting of the American Society in London Mr. Bryan said with reference to the silver question:

"I wish to say that when I see the progress my country has made walking on one leg, I wonder what it would have done walking on two legs."

**Bryan's Nomination Means Taft's Election.**

[New York World, June 19, 1908.]

With Mr. Bryan as Mr. Taft's opponent the campaign can end only in a Republican victory. Mr. Bryan has been leader of the Democratic party virtually for twelve years, and the state of the country bears eloquent testimony to the quality of his leadership. In forty-six States the Democrats control only thirteen and the Republicans thirty-three. There are only thirty-one Democrats in the United States Senate to sixty-one Republicans, and another Republican Senator, elected in Kentucky to succeed a Democrat, will take his seat March 4. There are only two anti-Republican Senators north of the line of the Missouri Compromise. Outside of New York city there are only thirty-seven Democrats in both houses of Congress from the entire East, North, and West.

Mr. Bryan's own State has gone Republican in every election for seven years, although he arranged a fusion ticket and framed a platform for every campaign. New Jersey, the only Northern State which failed to give its electoral votes to Lincoln in 1860 and which went Democratic in every national election but one for forty years gave a Republican majority of 87,000 against Mr. Bryan in 1896 and has been Republican ever since.

The story of New York is not greatly unlike the story of New Jersey. Thanks to Bryanism, New York ceased to be a debating State in Presidential elections. The Republican plurality in 1896 was 268,000; in 1900 it was 143,000; in 1904 it was 100,000. In most of the counties of this State the Democratic party has all but gone out of existence. A parallel to the disastrous consequences of Bryan leadership can be found only in the civil war.

Every idea, principle, or issue represented by Mr. Bryan or presented against him by the Republicans has been submitted to the verdict of the voters in the Congressional elections during the last twelve years no less than in the Presidential elections, and in every House of Representatives chosen the Republicans have had a majority. It is evident that only new conditions, new issues, and new candidates can produce any decided change in the results of these preceding elections. With an untaken candidate on an unbeaten platform the Democrats would have a fighting chance in the campaign, despite the long demoralization of their party; but what can a thrice-beaten party do with a twice-beaten candidate whose policies have already overwhelmed the Democratic organization in wreck and ruin?



**Mr. Bryan's Trust Ratio.**CLEVELAND, OHIO, *Sept. 15, 1906.*

In a reply to a personal letter of request by Editor Georg Smart, of the Iron Trades Review, that William Jennings Bryan define more clearly and succinctly his position in regard to the so-called trusts, the Democratic leader has responded in the following words:

"I am not prepared to state just how much a proportion a corporation can control without becoming a trust in the sense that limits competition, and competition controls the price and terms of sale. For the conduct of my paper, I drew the line at 50 per cent, and I do not accept an advertisement of a corporation controlling more than 50 per cent of the product in which it deals.

"I am inclined to believe, however, that the steel trust controls more of the product than it is good for the American people that other corporations should.

"In saying that a corporation should not be licensed when it controls enough to eliminate competition, I do not mean to say that the individual industries that are under one management should be destroyed. The corporation should simply be compelled to reduce its factories until its production is in the limit fixed by law."

# **WILLIAM RANDOLPH HEARST ON THE DEMOCRATIC PARTY AND ITS CANDIDATE.**

[From Mr. Hearst's speech to the National Convention of the Independence Party at Chicago, July 28, 1908.]

The Democratic platform contains some good and original things, but, as has been said, the original things are not good and the good things are not original.

It was built by political jackdaws who feathered their nests with the plumes of others without understanding of their significance or intention as to their performance.

It is the habitation of a hermit crab which has no shell of its own and invades the first convenient one without regard to property propriety.

It is a platform, too, of reconciliation and retraction, of atonement and apology, of harmony and hypocrisy, for, in compliance with a former compact, Parker has pronounced peace, Bill Bailey has poured Standard Oil upon the troubled waters, and Bryan has killed not only the fatted calf but the goose that laid the golden egg.

No man can serve two masters, and no man can conciliate the conflicting elements of the Democratic party. He who tries must serve one and deceive the other; must make public pretense to the people and private compact with the trusts.

The Democratic vanguard is a Falstaff's army. It is led by a knight arrayed in a motley of modified professions and compromised principles, of altered opinions and retracted statements.

A Falstaff's army, whose banner bears on one side a watchword for the people and on the other a password for the trusts, whose object is office at any cost, whose motto is "after us the deluge."

Assuming that Mr. Bryan himself is all that his most ardent admirers claim him to be, a great lawyer, an enlightened statesman, an inspired patriot, still a man is known by the company he keeps, and no deceitful Democrat can tolerate his free companions. No honest citizen can come down the bars of office to such an Ali Baba's band of boodlers and braves.

No prudent citizen will support a combination to which Taggart supplies a candidate and Parker a platform, for which Bryan will pay the freight and the people will pay the penalty.

## **Mr. Hearst's Reply to Mr. Gompers's Message.**

[From the New York American, July 17, 1908.]

The following cablegram from Mr. Hearst has been received in reply to a message transmitted to Mr. Hearst from Samuel Gompers, stating that in view of the Democrats' stand for labor it would be "an act of greatest patriotism for the Independence Party to indorse the Democratic platform," and urging him not to run a third ticket, as it would elect Mr. Taft:

Paris, July 13th.

"Tell Mr. Gompers that I am not authorized to speak for the membership of the Independence Party, but according to my personal standard a purer patriotism consists in laboring to establish a new party which will be consistently devoted to the interest of the citizenship, and particularly to the advantage and advancement of the producing classes.

"I do not think the path of patriotism lies in supporting a discredited and decadent old party, which has neither conscientious conviction nor honest intention, or indorsing chameleon candidates who change the color of their political opinion with every varying hue of opportunism.

"I do not think the best benefit of laboring men lies in supporting that old party because of a sop of false promise, when the performance of that party while in power did more to injure labor than all the injurious actions ever issued before or since.

"I have lost faith in the empty professions of an unregenerate Democracy. I have lost confidence in the ability, in the sincerity and even in the integrity of its leaders.

"I do not consider it patriotism to pretend to support that which, as a citizen, I distrust and detest, and I earnestly hope that the Independence Party will give me an opportunity to vote for candidates that are both able and honest, and for a declaration of principles that is both sound and sincere.

"WILLIAM RANDOLPH HEARST."

## WATTERSON'S OPINION OF BRYAN AND BRYANISM IN 1896.

Extracts From Louisville Courier Journal During Mr. Bryan's First Campaign for the Presidency.

[From Courier-Journal, Tuesday, July 14, 1896.]

Geneva, Switzerland, July 13, 1896, via French Cable.

Walter N. Haldeman, President Courier-Journal Company, Louisville, Ky.:

Another ticket our only hope. No compromise with dishonor. Stand firm.

HENRY WATTERSON.

The Democratic party seems threatened with engulfment in a deluge of populism and anarchy. \* \* \* Swayed backward and forward by the latest utterances of ridiculous oratory, they ended by making a platform which is in itself an insult to every Democrat, and placed upon that platform a fire-eating populist, whose chief merit is a capacity for arousing similar people by inflammatory rhetoric. As one of our contemporaries puts it, "Lunacy having dictated the platform, it is perhaps natural that hysteria should evolve the candidate." Men like Bryan are agitators, rabble-rousers and spellbinders; but no man would trust them at the head of an ordinary business to manage its executive affairs, much less at the head of a great nation. \* \* \* To elect him would mean repudiation, anarchy, and national and social ruin.—*Courier Journal*, July 13, 1896.

If this were a campaign of common sense, or even of sanity, Mr. Bryan could be counted on to quickly talk himself to death; but as it is Mr. Bryan's demagogic loquacity is to be the main reliance of his party for rabble-rousing votes.—*Courier Journal*, July 15, 1896.

"Bryan is only Tillman in better English." There is a deal of truth in that. Tillman and Bryan teach the same creed, but Tillman is rough and uncouth, whereas Bryan knows the art of oratorical expression. Bryan was nominated because he was the first man who was able to make the convention see and feel that he was as wild as it was.—*Courier Journal*, July 15, 1896.

Mr. Bryan is nothing but a Populist in doctrine and practice. \* \* \* The same hands which opened the gates to the admission of the Tillmans, the Altgelds, the Debsses, and such like cattle, drove out the Carlises, the Vilases, the Whitneys, the Herberts, the Palmers and other stalwart opponents of Democracy who have fought every fight their party has known for years and have never laid sturdier blows on Republicanism than on anarchy and populism.—*Courier Journal*, July 16, 1896.

The flag that floats over the names of Bryan and Sewall is the flag of pirates, \* \* \* of the socialists, and of anarchists, rather than that of Democrats.—*Courier Journal*, July 17, 1896.

Outside of the radical declaration for free coinage, no part of the Chicago platform has occasioned more alarm than the plank which condemned the Federal Government for interfering to preserve life and order during the great riots of 1894. \* \* \* The defeat of the candidate representing such sentiments is not partisan nor a sectional issue, but a moral duty.—*Courier Journal*, July 21, 1896.

The Populists did the consistent thing in nominating Mr. Bryan for the Presidency. There is hardly a plank in the Chicago platform which is not also in the Populist platform. Bryan, judged by his record and by his professed principles, is just as good a Populist as any of them. With one foot on the Chicago platform, and the other on the St. Louis platform, he can stand comfortably on either leg or both. It is truly a strange and disgusting spectacle to real Democrats.—*Courier Journal*, July 26, 1896.

Is it Bryan and Sewall or Bryan and Watson? It is immaterial. In either case it is Bryan and Populism, Bryan and repudiation, Bryan and riot, Bryan and ruin.—*Courier Journal*, July 27, 1896.

The three R's of Bryan's campaign seem to be Repudiation, Riot, and Ruin.—*Courier Journal*, July 29, 1896.

Bryan seemed proud to be introduced to make one of his speeches for Coxe's man, Carl Browne. How does that sit upon the stomach of the Democrat and those who must vote for Bryan?—*Courier Journal*, August 12, 1896.

The fierce light that beats upon a Presidential candidate is bringing out the weaknesses and absurdities of Mr. Bryan's public career with vengeance. No matter under what guise he presents his views on governmental politics, the same communistic principles are always apparent. \* \* \* That any party should have stooped to take up a candidate with such crazy-quilt ideas of political economy is hardly more disgusting than alarming. What would Jefferson or Hamilton or the other great statesmen of the Revolutionary period think if they were informed



that this intellectual whipper-snapper, this puling infant of logic would one day be deemed worthy of a seat at the same table with them.—*Courier Journal*, August 26, 1896.

Bryan's program is on a more majestic scale than Coxey's, but it is essentially the same and is fully as ridiculous and as dangerous.—*Courier Journal*, August 26, 1896.

Of course government ownership is what all Populists desire, and it would be especially gratifying to Mr. Bryan and his crowd, since this would provide several thousand lucrative places for the spoilsman.—*Courier Journal*, January 13, 1897.

Without exceptions, the free silver leaders are either visionary men of limited business experience; or else mere professional politicians, holding or seeking office \* \* \* \* \* are both incompetent and obsolete. They belong to a past age. They may flourish a while longer as Populists. But they can do nothing as Democrats. They will grow fewer and fewer, and beautifully less, until as leaders they peter out altogether.—*Courier Journal*, January 14, 1897.

As far as the *Courier Journal* is concerned it will support NO man for office who has the smell of Altgeldism or Tillmanism upon his garments; or whose boots carry one speck of Populist mud, either at the heel or at the toe. \* \* \* \* \* A short horse is soon curried, and this 16 to 1 go-as-you-please, stick-in-the-mud, free silver short horse, is very short indeed, as a matter of fact, very little short of a jackass.—*Courier Journal*, January 15, 1897.

When, last July, a convention met in Chicago, bearing the credentials of the National Democracy, authorized to enunciate a Democratic platform and choose Democratic leaders; when that convention leaped madly into the arms of Communism, snatched up the alien flag of Populism and, amid scenes of wildest abandonment to unreason and passion, proclaimed it the ensign of Democracy; when the convention, breaking in contempt the time-honored tablets of the father's creed, set up in their stead the new faith of all the clashing and clamoring malcontent who had fashioned their fanaticism upon opposition to Democracy; when that convention, following out its frantic surrender to heretic dogmas, nominated for the Presidency a young and desperate adventurer because he had the voice and the presence to best give expression to the evil passions of the hour, and nominated for the Vice-Presidency a lobbyist for Government subsidies to his individual interests, it struck a stinging blow full in the face of every true Democrat.—*Courier-Journal*, September 2, 1896.

This youngster, who has set himself up as the financial teacher of the American people, travels over the land with a tireless tongue and a voluminous vocabulary, blandly telling the people of the impossible things that will happen in the future and free coinage of silver, when he is utterly ignorant of the simplest facts of our past financial history.—*Courier Journal*, September 3, 1896.

The workman, threatened with the loss of 49 cents in every dollar of wages, is consoled with the assurance that should he strike for the restoration of the wages he is getting now, in the shape of a large number of silver dollars, he will be allowed to proceed to any acts of violence by either the State or National Government. A few workmen may be silly enough to accept this substitute of a stone for bread.—*Courier Journal*, September 12, 1896.

The speeches which William J. Bryan has been making on his tour are, without exception, the most incendiary and dangerous utterances ever addressed to the American people by a Presidential candidate. He has not been content to hold up himself and his followers as the only champions of the poor and oppressed; he has denounced the supporters of an honest monetary standard as no better than midnight robbers, and he urges that they be treated as an invading army. He has gone even farther than to countenance an open revolution; he has asked the American people to become hypocrites and liars.—*Courier-Journal*, September 5, 1896.

Mr. William J. Bryan has come to Kentucky, and Kentuckians have taken his measure. He is a boy orator. He is a distinguished dodger. He is a daring adventurer. He is a political fakir. He is not of the material of which the people of the United States have ever made a President, nor is he even of the material of which any party has ever before made a candidate for the Presidency.—*Courier-Journal*, September 15, 1896, the day after Bryan's speech in Louisville.

Mr. Bryan and his silver friends announce that they are not afraid to be called demagogues. Let us remind them that Benjamin Franklin once observed that experience was a dear school, but fools would learn in no other, and often not even in that. In no country in the world are demagogues so despised and distrusted as in America. Let the people once understand Bryan's real character and they will drop him as completely as they dropped Denis Kearney and "Gen." Coxey.—*Courier-Journal*, September 13, 1896.

We are told that the farmers of the West and South will support Bryan because they feel that they must fight the "capitalistic classes" whose interests, it is alleged, are diametrically opposed to theirs. We do not believe this for several reasons. \* \* \* We have many farmers who are very wealthy men, who have large numbers of employees and bank accounts. \* \* \* Now what does this mean? Simply that to the repudiators and anarchists like Altgeld, Tillman and Debs, who are taking such a pronounced part in this campaign, the farmer with his comfortable home and comparative financial independence is bound to become an object of suspicion and attack—if not now at some very early date.—*Courier-Journal*, September, 26, 1896.

Bourke Cockran said no brighter, truer thing in his great speech here than was embodied in his definition of Populism: "Sonorous declamation."



on based upon a fundamental misconception of facts." This satire eats the vitriol into the shallow assertions of calamity howlers, but from Bryan to Weaver, down to Watson and Blackburn it fits them to a T.—*Editorial, Courier-Journal, October 27, 1896.*

It is apparent that Mr. Bryan is much better adapted for a theatrical press agent than for a United States President, but it is also apparent that he would shine still better standing on a red wagon oratorically selling some magic preparation, like Bryan's blessed balsam for bunions.—*Editorial, Courier-Journal, October 21, 1896.*

Bryan is beaten—ingloriously and overwhelmingly. So closes the second great era of national peril which has menaced our Government. To lift the clouds of flatism and repudiation which lowered above the land a ominous threat of dishonor and disaster. So breaks the sun of a new dawn upon our manhood proven, our integrity vindicated, our intelligence victorious, our institutions impregnable. \* \* \* Thank God. In the name of a long-suffering people, thank God.—*Courier-Journal, November 1896, editorial headed "The Inevitable."*

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### "HE IS IN POLITICS BECAUSE IT HELPS THE GATE RECEIPTS."

**What Roger C. Sullivan, Democratic National Committeeman, Said of Mr. Bryan in 1906.**

[From public statement issued at Chicago, September 7, 1906, by Roger C. Sullivan, then the Illinois member of the Democratic National Committee.]

Mr. Bryan has twice led the Democratic party to defeat, the second a worse defeat than the first. If he is proud of that evidence of the people's confidence in his sincerity, he is welcome to it. But his boast of sincerity merits further consideration. He insinuates that I make money out of politics, and that his sincerity therefore compels him to oppose my participation in Democratic affairs. The plain inference is that Mr. Bryan thinks it wrong to make money out of politics. This boast of his puts the stamp of insincerity all over him. If Mr. Bryan thinks it wrong to make money out of politics, he should quit making money. Mr. Bryan has not one dollar that he ever made out of anything but politics. He tried to be a lawyer; he was a failure at it. He tried to be a newspaper editor; he was a failure at that. He is now a man of property. As fortunes go, he is a rich man. He made every dollar of his fortune out of politics as a stepping-stone to the lecture platform. Mr. Bryan discovered, many years ago, that he could make his political prominence pay. He is a shrewd advertiser, and in his way a clever business man. He has discovered that so long as he is a candidate for President and a possible nominee, gifted with the ability to weave flowing sentences into well-rounded periods, the public will come to hear him at so much a head. He is in politics because it helps the gate receipts. Like the actresses who have discarded the stolen diamonds dodge for the greater publicity a divorce suit, Mr. Bryan will quit running for President and will quit politics just as soon as he discovers that some other form of advertising will bring more dollars to the box office when he is announced to appear on the stage.

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### CENTRALIZATION.

**Marked Change in Democratic Sentiment as Illustrated by the Bryan Platforms.**

The New York Times (Democratic) publishes the following extracts from national Democratic platforms, showing how the Bryan platform runs counter to Democratic tradition:

1872

Local self-government with impartial suffrage will guide the rights of all citizens more securely than any centralized power.

1876.

\* \* \* A corrupt centralism which \* \* \* has honeycombed the offices of the Federal Government.

1880

\* \* \* Opposition to centralizationism and to that dangerous spirit of encroachment which tends to consolidate the powers of all the departments in one, and thus to create, whatever the form of government, a real despotism.

1884.

The reserved rights of the States and the supremacy of the Federal Government within the limits of the Constitution will ever form the true base of our liberties, and can never be surrendered without destroying that balance of rights and powers which enables a continent to be developed in peace and social order to be maintained by means of local self-government.

1888.

\* \* \* Strictly specifying every granted power and expressly reserving to the States or people the entire ungranted residue of power.

1892.

The tendency to centralize all power at the Federal capital has become a menace to the reserved rights of the States that strikes at the very roots of our Government under the Constitution, as framed by the fathers of the Republic.

1896.

During all these years the Democratic party has resisted the tendency of selfish interests to the centralization of governmental power and steadfastly maintained the integrity of the dual system of government established by the founders of this republic of republics.

1900.

Bryan's platform contains no reference to centralization.

1904

Under them (the Democratic party) local self-government and national unity and prosperity were alike established.

1908.

We favor such legislation as will increase the power of the Interstate Commerce Commission.

We believe that in so far as the needs of commerce require an emergency currency such currency should be issued, controlled by the Federal Government.

We pledge the Democratic party to the enactment of a law to regulate the rates and services of telegraph and telephone companies engaged in the transaction of messages between the States, under the jurisdiction of the Interstate Commerce Commission.

Among the additional remedies we specify \* \* \* a license system which will, without abridging the right of each State to create corporations or its right to regulate as it will foreign corporations doing business within its limits, make it necessary for a manufacturing or trading corporation engaged in interstate commerce to take out a Federal license.

Passed at the instance of Mr. Roosevelt, it (the Rate law) stands as a monument to the principle which he has incessantly maintained in speech and action, that the laws must be so made that they can be enforced as well against the sins of the wealthy and the powerful as against those of the poor.—Hon. Wm. H. Taft, at Columbus, Ohio.

Mr. Bryan says he would extirpate trusts, root and branch. If Mr. Bryan's language is more than mere rhetoric and he means to seize the property, to divide it up and sell it in pieces, and disassemble the parts, then I am not in favor of his method of dealing with trusts, because I believe that such large combinations legitimately conducted greatly add to the prosperity of the country.—Hon. Wm. H. Taft, at Columbus, Ohio.

One vital, dominating fact confronts the Democratic party which no oratory, which no eloquence, which no rhetoric can obscure; BRYAN'S NOMINATION MEANS TAFT'S ELECTION.—New York World.

# EQUAL JUSTICE TO ALL MEN WITHOUT REGARD TO RACE OR COLOR."

## The Demand of the Republican Party—Contrast the Attitude of the Democratic Leaders and Party.

### REPUBLICAN SENTIMENTS.

"The Republican party has been for more than fifty years a consistent friend of the American negro. It gave him freedom and citizenship. It wrote into the organic law the declarations that proclaim his civil and political rights, and believes to-day that his noteworthy progress in intelligence, industry and good citizenship has earned the respect and encouragement of the nation. We demand equal justice for all men, without regard to race or color; we demand once more, and without reservation, for the enforcement in letter and spirit of the thirteen, fourteen and fifteen amendments to the Constitution, which were designed for the protection and advancement of the negro, and we condemn all devices that have for their real aim his disfranchisement for reasons of color alone, as unfair, unAmerican and repugnant to the supreme law of the land."—From Republican platform adopted National Convention 1908.

### DEMOCRATIC SENTIMENTS.

"The white man in the South has disfranchised the negro in self-protection; and there is not a Republican in the North who would not have done the same thing under the same circumstances. The white men of the South are determined that the negro will and shall be disfranchised everywhere it is necessary to prevent the recurrence of the horrors of carpetbag rule."—William Jennings Bryan in speech at New York in 1908.

"I favor, and if elected will urge with all my power, the elimination of the negro from politics."—Hoke Smith, Governor of Georgia; Secretary of Interior under President Cleveland.

"In my opinion the granting of universal suffrage to the negro was the mistake of the nineteenth century."—Col. Hilary A. Herbert, Secretary of Navy under President Cleveland.

"We stuffed ballot boxes, we shot negroes; we are not ashamed of it."—Senator Tillman in United States Senate.

## THE ELECTION LAWS OF THE SOUTH.

The following are sections of some of the election laws of the South, many of them framed for the avowed purpose of depriving Afro-American citizens of the right to vote. It will be seen that the Louisiana and North Carolina laws are especially framed for the purpose of making the educational test apply only to the Afro-Americans, and all persons who were voters prior to January 1, 1867, and their lineal descendants are exempt from the provisions of the law, which disqualifies persons because of illiteracy:

### Mississippi.

"Section 244. On and after the first day of January, 1892, every voter shall, in addition to the foregoing qualifications, be able to read a section of the Constitution of this State; or he shall be able to understand the same when read to him, or to give a reasonable interpretation thereof \* \* \*."

### Louisiana.

"Section 3. He (the voter) shall be able to read and write, and shall demonstrate his ability to do so when he applies for registration, by signing, under oath administered by the registration officer or his deputy, an application therefor, in the English language or his mother tongue,



which application shall contain the essential facts necessary to show that he is entitled to register and vote, and shall be entirely written, dated and signed by him, in the presence of the registration officer or his deputy, without assistance or suggestion from any person or memorandum whatever, except the form of application hereinafter set forth. \* \* \*

"Section 5. No male person who was on January 1st, 1867, or at any date prior thereto, entitled to vote under the Constitution or statutes of any State of the United States, wherein he then resided, and no son or grandson of any such person not less than twenty-one years of age at the date of the adoption of this Constitution, and no male person of foreign birth, who was naturalized prior to the first day of January, 1885, shall be denied the right to register and vote in this State by reason of his failure to possess the educational or property qualifications prescribed by this Constitution; provided, he shall have resided in the State for five years next preceding the date at which he shall apply for registration, and shall have registered in accordance with the terms of this article prior to September 1, 1898, and no person shall be entitled to register under this section after that date."

#### North Carolina.

"Section 4. Every person presenting himself for registration shall be able to read and write any section of the Constitution in the English language. \* \* \* But no male person who was, on January 1, 1867, or at any time prior thereto, entitled to vote under the laws of any State in the United States wherein he then resided, and no lineal descendant of any such person shall be denied the right to register and vote at an election in this State by reason of his failure to possess the educational qualifications herein prescribed; Provided, he shall have registered in accordance with the terms of this section prior to December 1, 1908.

"The General Assembly shall provide for the registration of all persons entitled to vote without the educational qualifications herein prescribed, and shall, on or before November 1, 1908, provide for the making of a permanent record of such registration, and all persons so registered shall forever thereafter have the right to vote in all elections by the people of this State, unless disqualified under section 2 of this article: Provided such person shall have paid his poll tax as above prescribed."

#### Alabama.

1st. Those who can read and write any article of the Constitution of the United States in the English language, and who are physically unable to work; and those who can read and write any article of the Constitution of the United States in the English language and who have worked and been regularly engaged in some lawful employment, business or occupation, trade or calling for the greater part of the twelve months next preceding the time they offer to register, and those who are unable to read and write, if such inability is due solely to physical disability; or

2nd. The owner in good faith in his own right, or the husband of a woman who is the owner in good faith in her own right, of forty acres of land situate in this State, upon which they reside; or the owner in good faith in his own right or the husband of any woman who is the owner in good faith in her own right of any real estate situate in the State assessed for taxation at the value of three hundred dollars or more; or the owner in good faith in his own right or the husband of any woman who is the owner in good faith of her own right of personal property in this State assessed at taxation at three hundred dollars or more; provided that the taxes due upon such real estate or personal property for the year next preceding the year for which he offers to register shall have been paid unless the assessment shall have been legally contested and is undetermined.

#### South Carolina.

Section 174. Every male citizen of this State and of the United States, twenty-one years of age and upwards, not laboring under disabilities named in the Constitution of 1895 of this State, and who shall have been a resident of the State for two years, in the county one year in the polling precinct in which the elector offers to vote four months before any election, and shall have paid six months before any election any poll tax then due and payable, and who can read and write any section of the said Constitution submitted to him by the registration officers, or can show that he owns and has paid all taxes collectible due the previous year on property in the State assessed at \$300 or more and who shall apply for registration shall be registered.

#### Virginia.

Sec. 20. Who may register after 1904.

After the first day of January, 1904, every male citizen of the United States having the qualifications of age and residence required by section 18 shall be entitled to register, provided:

1st. That he has personally paid to the proper officer all State poll taxes assessed or assessable against him under this or the former Constitution for the three years next preceding that in which he offers to register; or, if he comes of age at such time that no poll taxes shall have been assessed against him for the year preceding the year in which he offers to register, has paid one dollar and fifty cents in satisfaction the first year's poll tax assessable against him; and

That unless physically unable, he makes application to register in his own handwriting without aid, suggestion or memorandum in the presence of the registration officers, stating therein his name, age, date and place of birth, residence and occupation at the time and whether he has previously voted, and if so, the State, county and precinct in which he voted last, and,

Third. That he answer on oath any and all questions affecting his qualifications as an elector submitted to him by the officers of registration, which questions and his answers thereto shall be reduced to writing, certified by the said officers and preserved as part of their official records.

Sec. 22. No person who during the late war between the States served in the Army or Navy of the Confederate States shall at the time be required to pay a poll tax as a prerequisite to the right to vote. \* \* \*

### The Georgia Constitutional Amendment.

The amendment to the Constitution of Georgia, which is to be submitted to the voters of that State in November, is as follows:

"Section 1. Elections by the people shall be by ballot, and only those persons shall be allowed to vote who have first been registered in accordance with the requirements of law.

"Par. 2. Every male citizen of the State who is a citizen of the United States, twenty-one years old or upwards, not laboring under any of the disabilities named in this article, and possessing the qualifications provided by it, shall be an elector and entitled to register and vote at any election by the people; provided, that no soldier, sailor, or marine in the military or naval service of the United States shall acquire the rights of an elector by reason of being stationed on duty in this State.

"Par. 3. To entitle a person to register and vote at any election by the people, he shall have resided in the State one year next preceding the election, and in the county in which he offers to vote six months next preceding the election, and shall have paid all taxes which may have been required of him since the adoption of the Constitution of Georgia of 1877, that he may have had an opportunity of paying agreeably to law. Such payment must have been made at least six months prior to the election at which he offers to vote, except when such elections are held within six months from the expiration of the time fixed by law for the payment of such taxes.

"Par. 4. Every male citizen of this State shall be entitled to register as an elector and to vote at all elections of said State who is not disqualified under the provisions of section 2 of article 2 of this Constitution, and who possesses the qualifications prescribed in paragraphs 2 and 3 of this section or who will possess them at the date of the election occurring next after his registration, and who in addition thereto comes within either of the classes provided for in the five following sub-divisions of this paragraph.

"1. All persons who have honorably served in the land or naval forces of the United States in the Revolutionary war, or the war of 1812, or in the war with Mexico, or in any war with the Indians or in the war between the States, or in the war with Spain, or who honorably served in the land or naval forces of the Confederate States, or of the State of Georgia in the war between the States, or,

"2. All persons lawfully descended from those embraced in the sub-division next above, or,

"3. All persons who are of good character, and understand the duties and obligations of citizenship under a republican form of government, or,

"4. All persons who can correctly read in the English language any paragraph of the Constitution of the United States or of this State, and correctly write the same in the English language when read to him by any one of the registrars, and all persons who, solely because of physical disability, are unable to comply with the above requirements, but who can understand and give reasonable interpretation of any paragraph of the Constitution of the United States or of this State, that may be read to them by one of the registrars, or,

"5. Any person who is the owner in good faith in his own right of at least forty acres of land situated in this State, upon which he resides, or is the owner in good faith in his own right, of property situated in this State and assessed for taxation at the value of five hundred dollars."

Par. 5. The right to register under sub-divisions 1 and 2 of paragraph 4 shall continue only until January 1, 1915. But the registrars shall prepare a roster of all persons who register under sub-divisions 1 and 2 of paragraph 4, and shall return the same to the Clerk's office of the Superior Court of their counties and the Clerks of the Superior Court shall send copies of the same to the Secretary of State, and it shall be the duty of these officers to record and permanently preserve these rosters. Any person who has been once registered under either of the sub-divisions 1 or 2 of paragraph 4, shall thereafter be permitted to vote, provided, he meets the requirements of paragraphs 2 and 3 of this section.

Par. 6. Any person to whom the right of registration is denied by the registrars on the ground that he lacks the qualifications set forth in the five sub-divisions of paragraph 4, shall have the right to take an appeal, and any citizen may enter an appeal from the decision of the registrars allowing any person to register under said sub-divisions. All appeals must be filed in writing with the registrars within ten days from the date of the decision complained of and shall be returned by the registrars to the office of the Clerk of the Superior Court to be tried as other appeals.

Par. 7. Pending an appeal and until the final decision of the case, the judgment of the registrars shall remain in full force.

Par. 8. No person shall be allowed to participate in a primary of any political party or a convention of any political party in the State who is not a qualified voter.

### Maryland.

The following is the text of the amendment to the Constitution of the State of Maryland, which is to be submitted to the voters of that State at the November election:



Section 1. All elections shall be by ballot, and every male citizen of the United States of the age of twenty-one or upward, who has been a resident of the State for two years and of the Legislative District of Baltimore City or in the county in which he may offer to vote, for one year next preceding the election, and who, moreover, is duly registered as a qualified voter as provided in this article, and shall be entitled to vote in the ward or election district in which he resides, at all elections hereafter to be held in this State, and in case any county or city shall be so divided as to form portions of different electoral districts for the election of Representatives in Congress, Senators, Delegates or other officers, then, to entitle a person to vote for such officers, he must have been a resident of that part of the county or city which shall form a part of the electoral district in which he offers to vote for one year next preceding the election; but a person who shall have acquired a residence in such county or city entitling him to vote at any such election shall be entitled to vote in the election district from which he removed until he shall have acquired a residence in the part of the county or city to which he has removed.

Every male citizen of the United States having the above prescribed qualifications of age and residence shall be entitled to be registered so as to become a qualified voter if he be:

First.—A person who, on the first day of January in the year eighteen hundred and sixty-nine, or prior thereto, was entitled to vote under the laws of this State, or of any other State of the United States, wherein he then resided; or

Second.—A male descendant of such last mentioned person; or

Third.—A foreign-born citizen of the United States, naturalized between the first day of January in the year eighteen hundred and sixty-nine and the date of the adoption of this section of this article; or

Fourth.—A male descendant of such last mentioned person; or

Fifth.—A person who, in the presence of the officers or registration, shall, in his own hand-writing, with pen and ink, without any aid, suggestion, or memorandum whatsoever, and without any question or direction addressed to him by any of the officers of registration, make application to register, correctly stating in such application his name, age, date and place of birth, residence and occupation at the time and for the two years next preceding; the name or names of his employer or employers, if any, at the time and for the next two years preceding, and whether he has previously voted, and if so, the State, county or city, and district or precinct in which he voted last, and also the name in full of the President of the United States, of one of the Justices of the Supreme Court of the United States, of the Governor of Maryland, of one of the Judges of the Court of Appeals of Maryland and of the Mayor of Baltimore City, if the applicant resides in Baltimore City, or of one of the County Commissioners of the county in which the applicant resides; and any person who is unable to comply with the foregoing requirements as to making application for registration in his own hand-writing, solely because he is physically disabled from so doing; or

Sixth.—A person, or the husband of a person, who, at the time of his application for registration, is the bona fide owner of real or personal property in an amount of not less than five hundred dollars, is assessed thereon in the tax books of the City of Baltimore, or of one of the counties of this State, has been such owner and so assessed for two years next preceding his application for registration, shall have paid, and shall produce receipts for, the taxes on said property for said two years, and shall at the time of his application make affidavit before the officers of registration that he is, or that he is the husband of the person who is, the bona fide owner of the property so assessed to him or to her, as the case may be, and that he or she has been the owner for two years next preceding his application.

No person not qualified under some one of the above clauses shall be entitled to be registered as a qualified voter or be entitled to vote.

Every written application to be registered, presented to the officers of registration by any person applying to be registered under the above fifth clause, shall be carefully preserved by said officers of registration and shall be produced in any Court, if required, as hereinbefore provided.

The affidavit of any applicant for registration, duly made to the officers of registration or in Court, that he, the applicant, is a person who was entitled to vote on or before the first day of January in the year eighteen hundred and sixty-nine, as aforesaid, or that he has become a naturalized citizen of the United States between the first day of January in the year eighteen hundred and sixty-nine and the date of the adoption of this section of this article, as aforesaid, or his affidavit upon information and belief that he is a descendant of a person who was entitled to vote on or before the first day of January in the year eighteen hundred and sixty-nine, or that he is a descendant of a person who has become a naturalized citizen of the United States between the first day of January in the year eighteen hundred and sixty-nine and the date of the adoption of this section of this article, shall be prima facie evidence of any of said facts so sworn to.

A willfully false statement upon the part of any applicant for registration in relation to any of the matters aforesaid shall be perjury, and punishable as perjury is punished by the laws of this State.

Any person who feels aggrieved by the action of any board of officers of registration in refusing to register him as a qualified voter, or in registering any disqualified person, may at any time, either before or after the last session of the board of officers of registration, but not later than the Tuesday next preceding the election, file a petition, verified by affidavit, in the Circuit Court for the county in which the cause of complaint arises, or, if the cause of complaint arises in Baltimore City, in any court of common-law jurisdiction in said city, setting forth the grounds of his application and asking to have the action of the board of officers of registration corrected.

The court shall forthwith set the petition for hearing and direct summons to be issued requiring the board of officers of registration complained against in said petition to attend at the hearing in person or



y counsel, and where the object of the petition is to strike off the name of any person, summons shall also be issued for such person, which shall be served by the Sheriff within the time therein designated; and said several courts shall have full jurisdiction and power to review the action of any board of officers of registration and to grant or withhold, as it may seem lawful and proper, the relief prayed for in the premises.

### THE JIM-CROW CAR.

**How the Democratic Legislators of the South Endeavor to Degrade and Humiliate the Afro-American.**

In their efforts to degrade and humiliate the race, the Democratic legislators of every Southern State have provided a system of "jim-crow" cars for Afro-Americans.

The laws say that the accommodations "shall be equal, but separate." As a matter of fact, they are seldom equal and usually very inferior, especially on the smaller lines, where wornout cars, which are generally in a filthy condition, are used for Afro-Americans.

On the larger roads better cars are used, but the "jimcrow" car is generally placed next to the locomotive, where the occupants get the full benefit of the dust and smoke.

Several States have enacted laws forbidding sleeping car companies to sell berths to Afro-Americans.

These laws were not passed for the reason that Southern Democrats are anxious to avoid close proximity to Afro-Americans, for servants are allowed under the law to ride in the same car with the whites. The idea, which is to humiliate the race, is clearly expressed by H. D. Wilson, a Southern Democrat, member of the Louisiana Legislature and author of the Louisiana jimcrow car law, who said:

"It is not only the desire to separate the whites and blacks on the railroad for the comfort it will provide, but also for the moral effect. The separation of the races is one of benefit, but the demonstration of the superiority of the white man over the negro is a greater thing. There is nothing which shows it more conclusively than the compelling of negroes to ride in cars marked for their especial use."

Recently a number of Afro-American bishops, ministers, doctors, lawyers, and other prominent men visited the White House and called the attention of President Roosevelt to the condition of affairs on the Southern railroads, and he at once directed the Interstate Commerce Commission to institute proceedings against the roads and compel them to furnish equal accommodations.

### Afro-Americans in Government Service.

In a number of speeches William J. Bryan has said:

"The Afro-American has bestowed presidencies upon the Republican party and received janitorships in return."

The statement is absolutely false. The Afro-American has received more recognition under the Roosevelt Administration than ever before in the history of this country. That the places have not been confined to janitorships will be seen by the following list showing the official positions and occupations of Afro-Americans in the service of the United States Government:

Auditor of the Navy Department, assistant district attorneys, assistant librarians, architects, assistant postmasters, assistant weighers, attorneys, bookbinders, bookkeepers, boatmen, collectors of customs, collectors of internal revenue, consuls, chiefs of division, compositors, chaplains, custodians, cleaners, cester helpers, clerks, counters, charwomen, carriage drivers, deputy collectors of customs, deputy collectors of internal revenue, deputy United States marshals, domestics and waiters, draughtsmen, envoy extraordinary and minister plenipotentiary, examiners of merchandise, engineers, elevator conductors, folders, farmers, firemen, floor hands, gaugers, guards, heads of departments, helpers, inspectors of customs, immigrant inspectors, imposers, janitors, letter carriers, laboratory assistant laborers, minister resident and consul general, musicians, messengers, messenger boys, machine operators, monotype keyboard operators, mimeograph operators, openers and packers, postmasters, patent examiners, pressmen, press feeders, pay clerks, private secretaries, receivers of public monies, register of treasury, registers of land offices, recorder of deeds, railway postal clerks, rural delivery carriers, surveyor-general, superintendents of construction, sam-

plers, shippers, stenographers and typewriters, storekeepers, skilled laborers, sewers, stablemen, teachers, translators, time-keepers, wagon messengers, watchmen, wrappers, wagon drivers.

The highest salary paid an Afro-American is received by the Envoy Extraordinary and Minister Plenipotentiary of the United States to Haiti, whose salary is \$10,000 per annum. A number of government officials receive from \$2,500 to \$5,000 per year. Clerks are paid from \$900 to \$1,800.

The number of Afro-Americans in the service of the Government, exclusive of the Army and Navy, has more than doubled in the last four years of the Roosevelt Administration, and aggregate pay has increased from \$3,000,000 in 1904 to \$8,000,000 in 1908.

One of the most important offices in the Treasury Department, that of the Register of the Treasury, has been continuously filled by colored men, under Republican appointment, during more than a quarter of a century, while under Democratic administrations during that time no Negro was considered worthy to occupy that position. The importance of this office is indicated by the fact that the signature of the Register as well as that of the Treasurer of the United States is attached to all paper currency issued by the Government, and the signature of a colored man has thus been one of the two names attached to every piece of paper money issued under Republican administrations since 1881, when Blanche K. Bruce was appointed Register of the Treasury; while under Democratic administrations names of white Democrats were substituted when Rosecrans and Tillman, respectively, were appointed to that position.

The following table shows the number of Afro-American employees in the service of the Federal Government:

*Afro-American officers, clerks, and other employees in the service of the United States Government, 1908.*

	No.	Salaries.
Diplomatic and consular service.....	11	\$35,000
Departmental Service, Washington, D. C.:		
State .....	19	14,200
Treasury .....	689	470,201
War .....	146	103,832
Navy .....	47	35,736
Post Office .....	176	103,468
Interior .....	405	237,775
Justice .....	22	14,300
Agriculture .....	120	63,924
Commerce and Labor.....	119	17,040
Government Printing Office.....	552	376,180
Interstate Commerce Commission.....	31	15,440
United States Capitol.....	185	126,420
Washington, D. C., City Post Office.....	190	150,240
District of Columbia Government, including unskilled laborers .....	2,798	1,252,588
Departmental Service at large:		
Customs and Internal Revenue.....	585	492,181
Post Office.....	2,958	2,298,424
Interior .....	23	26,226
Commerce and Labor.....	66	44,002
United States Army, officers.....	11	29,285
United States Army, enlisted men.....	2,890	901,083
Miscellaneous, including unclassified.....	1,935	1,161,250
Total.....	13,978	\$8,032,355
Recapitulation by localities:		
Foreign stations.....	11	\$35,500
Washington, D. C.....	5,499	3,044,404
Chicago, Ill.....	529	431,704
Indianapolis, Ind.....	35	25,910
New Orleans, La.....	244	231,162
Boston, Mass.....	79	67,180
Mobile, Ala.....	50	43,700
Detroit, Mich.....	31	25,240
Baltimore, Md.....	70	49,085
Brooklyn, N. Y.....	23	18,100
Richmond, Va.....	75	62,409
Cleveland, Ohio.....	30	25,300
Denver, Colo.....	17	15,200
At miscellaneous points.....	7,285	3,936,690
Total.....	13,978	\$8,032,355

**"We Deny the Negro the Right to Vote and Hold Office, but Have Never Denied Him the Right to Work."**

[Extract from remarks of Hon. THOMAS SPIGHT of Mississippi, in daily Congressional Record, March 16, 1904.]

What is called the "negro problem" has become a question of national interest, and demands attention, wherever, North and South, the negro appears in any considerable numbers. *Practically all of the Southern States, in which the negro forms such a percentage of the population as to make him a political factor to be reckoned with, have by constitutional provision deprived him of his power for harm in the administration of our domestic affairs, and we have done it because it was absolutely necessary to protect our people from financial ruin and to preserve our civilization. For a time we were compelled to employ methods that were extremely distasteful and very demoralizing, but now we are accomplishing the same and even better results by strictly constitutional and legal procedure. For more than ten years the negroes of Mississippi have understood that they were not to be allowed to participate in State or county governments, and as a result we have had but little trouble with them, and they have been better satisfied and more prosperous than at any time since their emancipation. We recognize that the negro is a producer of wealth, especially in our cotton fields, and this fact, coupled with the naturally kind feelings entertained for him by the white people with whom he has lived all his life, gives him an opportunity for honest, productive labor not enjoyed by his race anywhere else. We deny him the right to vote, under certain conditions, and to hold office, but have never denied him the right to work for an honest living.*

**"We Stuffed Ballot Boxes, We Shot Them, We are Not Ashamed of It."**

[Extract from remarks of Hon. BENJAMIN R. TILLMAN of South Carolina, in daily Congressional Record, February 26, 1900.]

I will tell you, while I am talking about negro suffrage, why they are so dangerous as voters. In any State where the whites divide—and they have divided in every Southern State except mine and Mississippi—into Populists and Democrats, the negro has been the balance of power, through which one side or the other has controlled the elections by means of bribery, for the negro vote was a purchasable one. Therefore we have been confronted by the condition of a large, ignorant, debased vote, thrust upon us by the fourteenth and fifteenth amendments. \* \* Yet you stood up here and insisted that we must give these people a "free vote and a fair count." They had it for eight years, as long as the bayonets stood there, and in 1876 they sent more bayonets, because we had got the devil in us by that time and we did not care whether we had any government. We preferred to have a United States Army officer rather than a government of carpet-baggers and thieves and scallywags and scoundrels, who had stolen everything in sight and had mortgaged posterity; who had run their felonious paws into the pockets of posterity by issuing bonds. *When that happened, we took the government away. We stuffed the ballot boxes. We shot them. We are not ashamed of it.* With that system—force, tissue ballots, etc.—we got tired ourselves. So we had a constitutional convention, and we eliminated, as I said, all of the colored people whom we could under the fourteenth and fifteenth amendments.

**"A Horde of Beings who Have Forgotten the God that Made Them."**

[Extract from speech of Hon. ADAM M. BYRD of Mississippi, in daily Congressional Record, 60th Congress, 1st Session, January 24, 1908.]

Mr. Chairman, above all things, we are going to stand by our franchise laws, though every negro should leave that section. \* \* There are fewer colored people in Mississippi to-day than ten years ago, and the State is being blessed by their departure. The honest white laborers are largely doing our farm work. They subscribe to all the virtues of an enlightened civilization.



They believe in the education of their children—in schools, in homes, in churches, in society, in Christianity, in God, and in their country—and I for one will never vote to compel them to labor in competition with a being or horde of beings who have forgotten the God that made them, who never knew an obligation to society, who are void of patriotism, who believe in rearing their offspring in ignorance and vice, and who can live on less than one-half it takes to bring comfort to the home of the average white farmer.

**"No Salvation for the South Short of the Repeal of the Constitutional Amendments.**

[Extract from remarks of Hon. JAMES M. GRIGGS of Georgia, in daily Congressional Record, April 21, 1903.]

There is not a white man in any of the so-called negro States who would not gladly see the repeal of the constitutional amendments making the negro a citizen and a voter. While this is true, there is a disposition in some quarters of the South to laugh at the efforts of earnest, patriotic men in this direction. There is no complete salvation for the South outside of this one thing. Many gentlemen say it is impossible. The same gentlemen would very probably have said ten years ago that present conditions and feelings of the people North and South on the social side of this question were impossible. This is absolutely necessary to our final salvation. Everything else is a miserable makeshift, only to tide us over to the time when public opinion everywhere will approve of the repeal of these amendments and the correction of these terrible mistakes. A union half white and half black can live no more than a union "half slave and half free." Separation of the races would be best for white and black alike; but it seems that neither race is yet ready for that. The time will be, however, in the years to come when the manhood of the country, North and South, white and black alike, will demand it. Separation will not come in our generation, but many of us here to-day will live to see the repeal of these amendments. Separation will follow disfranchisement, as the night the day.

**"This is the Country of the White Man, Not the Home of the Mongrel."**

[Extract from remarks of Hon. FRANK CLARK, of Florida, in daily Congressional Record, May 11, 1908.]

Having had the experience of a lifetime with them, I express it as my deliberate judgment that it is better to keep them separate—better for them, better for their race, better for everybody; and this system is working well in the State of Florida, in our larger cities, where we have street cars, and upon our steam railroads all over the State. There never has been any confusion or trouble on account of the separation of the races on public conveyances. Before the adoption of that system there was a great deal of trouble. I admit that at times it was caused by the white man. I am not holding him up as entirely blameless. This class of white man is not peculiar to any section of our country. I have seen him in the North, in the East, in the West, and in the South. I have seen a lot of white people of that sort, and when one of this class gets a drink or two inside of him, and he gets himself inside of a street car, there is generally trouble. If you desire to reduce the chances of trouble to the minimum and subserve the best interests of all the people, you had better keep the races apart in all public conveyances. Imagine a nice, new passenger coach, packed with dirty, greasy, filthy negroes, down South, in midsummer, and you can readily understand why that car does not long remain as good, as clean, and as desirable as a similar car occupied exclusively by white travelers. \* \* \* The gentleman from New York [Mr. DRISCOLL] says that we have been allowed to have our own way down South with this question for so long that we have grown "bold" enough to come on the floor of this House and make demands for this kind of legislation. The gentleman uses the word "bold" as though he thought we did not have the right to come here and make demands. We do demand, and we have the right to de-

mand. This is our country, as it was the country of our fathers. The country of the white man, not the home of the mongrel. It will always be the white man's country. If the black man and the yellow man each desire to remain with us, occupying the sphere in life for which God Almighty intended each, let them do so. If not content with that let them go elsewhere.

**"The Intelligent Negro Does Not Worship False Gods."**

[Extracts from remarks of Hon. EDWARD S. TAYLOR, Jr. (Republican), in daily Congressional Record, May 27, 1908.]

With defeat staring it in the face, without a real and virile issue except those embodied in the "Peerless One," Democracy is preparing for the conflict in expectation of winning with the votes of negroes in the North and without the votes of negroes in the South. And this delusion, Mr. Speaker, is the crowning climax of political clowning. The negro, disfranchised in the South by the Democratic party, is expected to swing Republican States of the North into the power of his oppressors. From the days of its birth this party has not only halted its boasted Democracy at the color line, but bragged about it.

The intelligent negro of the North does not worship false gods. He is thoroughly familiar with the unfortunate condition of the colored man in the South. He knows that at heart the leaders of the Democratic party do not wish his association in politics, but only hope to use him and to disgruntle him against the Republican party in order that they may, without benefit to him, be elevated into power. It does not need the declaration of the gentleman from Illinois [Mr. RAINEY] that the Democratic party is a "white man's party" to convince them that their interests and future welfare lie in the hands of the Republican party and its patriotic electors.

Who is this citizen whom Mr. RAINEY and his colleagues find so obnoxious who is not permitted to vote in the South? Can they not for a moment cease in hunting isolated cases where criminal negroes have committed grave outrages and look to the broad development of the negro as a race? What has he done to earn his citizenship?

Education for the negro began with the emancipation proclamation. The illiteracy of the whole race, which may be admitted to have been total at emancipation, has been reduced to 44.5 per cent when the last census was taken. In the ten years from 1890 to 1900 it had been reduced from 57.1 per cent to 44.5 per cent. Italy to-day has 38 per cent of illiteracy; Spain, 68 per cent, and Portugal, 79.2 per cent. These are white countries with centuries of civilization behind them. There are 40,000 negro students in higher institutions of learning, pursuing all branches from trade to classical and scientific courses. Forty thousand colored youth have graduated from secondary institutions of learning, and 4,000 from colleges. The race has developed 30,000 teachers, more than 16,000 clergymen, 4,000 musicians, more than 2,000 actors and showmen, more than 1,700 physicians and surgeons, about 1,000 lawyers, 300 journalists, 250 dentists, 236 artists and art teachers, 100 literary persons, 120 civil engineers and surveyors, 82 bankers and brokers, and 52 architects. It has about 200 institutions for higher education in the United States. In 1904 it owned property amounting to \$1,100,000,000. In 1900 the farm property belonging to negroes was valued at \$200,000,000, almost \$300 for each negro family. It operates 746,715 farms and owns 187,797 farms, or 25 per cent of the total. It rents 557,174 farms, or 74.6 per cent of the total. This is not a bad showing for a race which gentlemen of the minority have declared unfit to exercise its citizenship, and which they claim to be a purchasable quantity when it comes to exercise its suffrage.

**Mr. Bryan's "Commoner" on the Race Question at the South.**

[From the "Commoner," December 3, 1904.]

If the race question presented itself to the North as it does to the South, it is not likely that it would be met in a different spirit or in a different way, and if the race question were a Northern question rather than a Southern one, the people of the

South would be as indifferent to it as the people of the North are. There is no disposition in the North to interfere with the manner in which the problem is now being worked out by the South. Once in a while the question is raised, but it is usually for political purposes. It is not likely that any serious attempt will be made to secure national legislation on the subject. If such an attempt is made it should be made with logic and with light, not with the calling of names and with heat.

[From the "Commoner," November 1, 1901.]

But when conditions force the two races to live under the same government in the same country, the more advanced race never has consented, and probably never will consent, to be dominated by the less advanced. Whether the conditions in the South are such as to justify the amendments which have been adopted is a question of fact which must be decided upon evidence—not a question of theory which can be settled by those far removed from the conditions which have to be considered.

[From West Virginia Democratic Platform of 1906.]

#### Jim Crow Plank.

We favor the enactment of a law requiring common carriers engaged in passenger traffic to furnish separate coaches or compartments for white and colored passengers.

#### Elective Franchise Plank.

Believing that the extension of the elective franchise to a race inferior in intelligence and without preparation for the wise and prudent exercise of a privilege so vital to the maintenance of good government was a mistake, if not a crime, committed by the Republican party, during the reign of passion and prejudice following the Civil War, for political ends and purposes, we declare that the Democratic party is in favor of so amending the Constitution as to preserve the purity of the ballot, and the electorate of the state from the evil results from conferring such power and privilege upon those who are unfitted to appreciate its importance, as it affects the stability and preservation of good government.

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Plans have been suggested for the migration of the negroes to some other country, where they would live by themselves and grow up by themselves, and have a society by themselves, and create a nation by themselves. Such a suggestion is chimerical. The negro has no desire to go, and the people of the South would seriously object to his going.—Hon. Wm. H. Taft, at Plymouth Church, Brooklyn.

What the negro and his friends demand is equality of enforcement of the law under the Constitution, and toward that end I feel convinced that all the influence of industrial progress in the South and the closer union between the sections necessarily are making.—Hon. Wm. H. Taft, at Plymouth Church, Brooklyn.

In the history of all the peoples of the earth, there is no more uniform story of absolute fidelity to trust than that which was exhibited by the negroes of the South toward the families of their masters, when the men were gone to the war, and none but the women and children were left at home.—Hon. Wm. H. Taft, at Plymouth Church, Brooklyn.

I am a protectionist because I can see very clearly that the political independence which every patriot would sacrifice his life to preserve to his country can only be safely assured when we are industrially independent, and I am glad, if it requires that lesser sacrifice, to forego a few pennies of my savings to do my part to secure that assurance.—Prof. R. H. Thurston, of Cornell University, in the American Economist.

One vital, dominating fact confronts the Democratic party which no oratory, which no eloquence, which no rhetoric can obscure: BRYAN'S NOMINATION MEANS TAFT'S ELECTION.—New York World.



# GUARANTEE OF BANK DEPOSITS.

The Democratic platform of 1908 pledges the party to legislation under which the national banks shall be required to establish a guarantee fund for the prompt payment of depositors of any insolvent national bank, and making the system available to all other banks desiring to join in such plan. The plank, which is heralded in Mr. Bryan's "Commoner" as being based upon a bill introduced in Congress by Mr. Bryan when a member of that body, is as follows:

"We pledge ourselves to legislation under which the national banks shall be required to establish a guarantee fund for the prompt payment of the depositors of any insolvent national bank, under an equitable system which shall be available to all State banking institutions wishing to use it. We favor a postal savings bank if the guaranteed bank cannot be secured."

## Mr. Taft's Response.

No feature of the Democratic platform met a more vigorous and scathing denunciation at the hands of Mr. Taft in his speech of acceptance than did this proposition, which he declared, if adopted exactly as the platform suggests, would "bring the whole banking system of the country down in ruin." His discussion of the proposition on that occasion was as follows:

"The Democratic platform recommends a tax upon national banks and upon such State banks as may come in, in the nature of enforced insurance, to raise a guaranty fund to pay the depositors of any bank which fails. How State banks can be included in such a scheme under the Constitution is left in the twilight zone of State's rights and federalism so frequently dimming the meaning and purpose of the promises of the platform. If they come in under such a system, they must necessarily be brought within the closest national control, and so they must really cease to be State banks and become national banks. The proposition is to tax the honest and prudent banker to make up for the dishonesty and imprudence of others. No one can foresee the burden which under this system would be imposed upon the sound and conservative bankers of the country by this obligation to make good the losses caused by the reckless, speculative and dishonest men who would be enabled to secure deposits under such a system on the faith of the proposed insurance; as in its present shape the proposal would remove all safeguards against recklessness in banking, and the chief, and in the end probably the only, benefit would accrue to the speculator, who would be delighted to enter the banking business when it was certain that he could enjoy any profit that would accrue, while the risk would have to be assumed by his honest and hard-working fellow. In short, the proposal is wholly impracticable unless it is to be accompanied by a complete revolution in our banking system, with a supervision so close as practically to create a government bank. If the proposal were adopted exactly as the Democratic platform suggests it would bring the whole banking system of the country down in ruin, and this proposal is itself an excellent illustration of the fitness for national control of a party which will commit itself to a scheme of this nature without the slightest sense of responsibility for the practical operation of the law proposed. The Democratic party announces its adhesion to this plan, and only recommends the tried system of postal savings banks as an alternative if the new experimental panacea is not available."

## How the Plan Would Work Out in Practice.

The proposition to tax banks to secure deposits is a financial chimera like that talked in 1896, when it was solemnly held by a great party that the price of wheat was governed by the volume of currency, and also that the price of silver governed the price of grain, fallacies which even the dozen years since that time have so ruthlessly exposed that the Democratic platforms of 1904 and 1908 have been silent on the subject.

What is the usual inducement to establish a bank? It is the need of banking facilities in the community, and the belief that, if properly conducted, it will be profitable to its proprietors and beneficial to the community. The bank, to pay, must add to its profits by loaning its deposits, as well as the money originally invested by its shareholders.

## Interest Deposits are one Form of Investment.

The inducements for making deposits are various. Some deposit simply for the safe-keeping of their money to be used for domestic purposes or for limited business. These depositors are

of but little advantage to the bank and expect but little. Their deposit is called an inactive account. Others make deposits with an agreement that they shall receive a specified rate of interest thereon—either time deposits at 3% or 4%, or on daily balances 2%.

The depositor who by making these deposits loans his money to the bank on time in fact invests his funds in the bank at, say, 3% per annum. He deems this better than other investments, because he is not subject to fluctuation in prices as he would be did he purchase securities in the market. He has prospect of quite as good a return, and is reasonably sure of having his money back without loss at maturity. To guarantee this class of depositors, as proposed by the Democratic platform, the bank would be obliged to tax itself, not only to pay an interest on his deposits, *but to insure his investment*, which is a dual capacity and responsibility that no wise business man would deem either conservative or safe.

The persons or firms who make the largest deposits are those who deposit for business purposes. They naturally expect reciprocal benefit in the way of loans on their notes or on security acceptable to the bank. It may be, and it usually is, that such a depositor has his credit greatly increased by the addition to his bank account of the proceeds of these discounted notes. His balance is *not* represented so much by monetary deposits as by *this credit* which the bank has extended him. Why, then, should the shareholders of a bank be compelled to tax themselves to guarantee a *credit deposit* that they have extended to the customer of the bank. A man investing his funds in a corporation does not expect that the purchase price paid for its securities will be *guaranteed* to him by the corporation. He takes the chances of loss or gain. Why should there be a difference in the business principle that governs a bank and that governing any other business corporation? This would be class legislation of a demoralizing type. The proposition to guarantee deposits is confined to *commercial* banks or banks of discount and deposit. Savings banks are not included therein. Why should this exception be made?

### Why not Guarantee Other Forms of Savings Investment?

It is important to have in mind that the larger portion of the people keep no commercial bank account. Their savings, which they depend on in cases of misfortune or death, are invested in life insurance companies, annuities, mutual benefit associations, savings banks, etc. If the public welfare is to be *considered fairly*, why should not the Government guarantee investments in these enterprises, as well as investments in banks made mainly for selfish purposes, accommodation or gain? Why should a bank that performs the function of distributing credits and currency assets of a country be any more safely guarded than enterprises patronized by the poorer class of people?

Among the various kinds of business, the greatest earning power of the people comes from agriculture, railroad and steamboat transportation, manufacturing and mining. These enterprises are owned by a great number of people as shareholders, and large numbers of persons are given employment by them. If protection is to be given to the banking interests and insurance against loss to preserve confidence, why should not some share of protection be afforded to agricultural interests that banking accommodations be had whereby in times of panic they need not be obliged to sell their products at ruinous prices? Why should not shareholders in railroad and steamboat transportation companies, involving the investment of billions of dollars, be safeguarded by protective legislation? Why should the manufacturer be obliged to shut down his business and throw thousands of people out of employment? This affects (in a calamitous way) more homes than would be affected by loss on deposits.

Mr. Bryan claims that his aim is to *protect the masses*. His argument for the guarantee of bank deposits would affect a class—and, as a rule, the richer class, for not many laborers have even the spare money to keep an active bank account.



**Bank Notes vs. Bank Deposits.**

The argument is frequently made that the man who holds national bank notes is secured by a guarantee of the Government, because it requires that bonds be deposited with the Treasury Department before the bank notes may be issued. Why, it is asked, should there be favoritism? It must be remembered, however, that the relation of the depositor to his bank is far more intimate than of the billholder to the bank issuing the bills which he receives, since the billholders are scattered widely over the continent, perhaps over the commercial world. The billholders are obliged to receive bank notes issued by banks distant from their places of residence, and of which they can know nothing, since this class of currency constitutes a great part of the money, whereby they can carry on business transactions; and the acceptance of that medium is in a way compulsory. They have but little means of knowing the resources of a bank, the manner in which its business is managed, while the depositor is in close touch. It by no means follows that because of this system in behalf of the bank note holder the Government should also guarantee the depositor. The relations of the two classes of men are vastly different. The officials of the banks and the depositors come together in mutual interest, but it is a different interest from that of the bill-holder, which is only transitory and sometimes a momentary interest. It was the great scheme of Secretary Chase to protect the bill-holders who were unfavorably placed to protect themselves.

**The Experiment has been Tried and the Result was Disastrous.**

We are not entirely without experience in the matter of guaranteeing bank deposits. The experiment was tried in the State of New York in 1829, during Governor Van Buren's administration, under the act known as the Safety Fund System.

This law grew out of remarkable conditions in the banking experience of the State. Governor Van Buren, in his message of that year, called attention to the fact that the charter of 31 of the 40 incorporated banks, among them eight large New York city banks, would expire within four years.

There had been a great monopoly in banking and the control of it had been maintained largely through influence exerted in political affairs. The banks were opposed to any new legal restrictions on their former freedom to issue unlimited quantities of bank notes or increase their reserve of specie. The public insisted on the legal control of bank note issues, by requiring all note issues to be registered at the Comptroller's office, and that a stricter regulation and a larger reserve of specie be maintained. Public excitement ran high. The banks took an open hand in electing assemblymen favorable to their interests, and also joined forces with promoters of internal improvements to secure from their friends sufficient votes to insure the renewal of their charters without burdensome conditions. It is said that on the part of the banks, a reciprocal return was to be made by assisting the promoters of internal improvements, in financing some of their enterprises, provided the vote was successful.

The new constitution of 1821 required a two-thirds vote in the legislature to secure incorporation of new banks or renewal of charters of the existing banks. When a vote was taken on the question, the bankers' combination, to their great amazement, were defeated by only one or two votes. This defeat paved the way for a new banking system.

Governor Van Buren had outlined in his message his plan, known as the Safety Fund Law. It was suggested to him and worked out by Judge Joshua Forman, of Syracuse, N. Y. Its provisions were mainly designed to insure protection to the billholders and check the spirit of reckless banking speculation in wildcat enterprises. Among its provisions was that a tax of  $\frac{1}{2}$  to 1% be levied annually on the capital stock paid in until 3% of the bank's capital had been collected. This sum was to be deposited with the Comptroller and invested and laid aside to protect the bill-holders of failed or liquidating banks.



One of the great defects in the system was that the fund was not to be used until the assets of the failed bank had been exhausted and the deficiency determined by winding up the bank's affairs. This defect in the law was made apparent to the legislature on the failure of five banks, three of which were in the city of Buffalo, and in order to prevent depreciation and loss to the bill-holder, an amendment was made to the law, in 1837, authorizing the Comptroller to pay immediately the notes of the failed bank whenever the liabilities of the bank did not exceed two-thirds of the amount of the safety fund.

There were no more failures until 1840 to 1842, at which time there were 90 banks in operation under the safety system and 12 outside. The failure in this period of 11 banks greatly reduced the money in the safety fund. A test case was made in 1840, by the Wayne County Bank, of Palmyra, N. Y. The court construed this law to mean liability to the depositor as well as to the bill-holder. This feature of the law was not generally understood by the public or the banks, and came as a great shock. As soon as the decision became known that depositors, as well as bill-holders, were protected by the safety fund, a reckless spirit of investing in bank stocks seemed to prevail. A fictitious credit was thereby given to the banks, which was used by inexperienced, rash and dishonest men most injudiciously in contracting debts in wild speculative adventures. Through this bad management the safety fund, which at one time had accumulated to nearly two million dollars, became insolvent.

The decision to combine protection to the bill-holder and depositors was so vast and tremendous in its responsibilities that the public demanded the repeal of the law, in 1842, by confining the responsibility of the fund to bank notes alone.

Hon. Millard Fillmore, then State Comptroller, said:

"It is apparent that the safety fund system would have proved an ample indemnity to the bill-holder had it not been applied to the payment of other debts (depositors) than those due for circulation."

Since that time there has been no attempt on the part of advocates of the guaranty of bank deposits in New York to secure any enactment to provide for the insurance of bank deposits, and it was not until the passage of such a law recently in Oklahoma that this subject was again brought prominently before the public.

The free banking act of New York, passed in 1838, provided for the security of the bill-holder by the registration of all bank issues and a security of stock and bonds deposited with the Comptroller. On these bank notes, the fact that the holders were secured was printed on the face of the notes.

#### **Safety of Present System.**

It should be borne in mind that under the present National Banking System, during the past 42 years, the loss to depositors has not exceeded 1/26th of one per cent per annum.

In many of the bills introduced in the recent Congress providing for the guarantee of bank deposits, the argument was made that if deposits should be guaranteed, future panics would be prevented; and that was of such serious importance as to justify extraordinary legislation. It was claimed that the Government had the same right and power to compel national banks to submit to a tax to guarantee deposits as the Government had to tax banks for the circulation of its bank notes. They failed to observe that there is no principle in law that will justify the taxing of one person (the shareholder) for another (the depositor).

#### **No Such Plan Known to the Business World.**

Attention is being called just now to the financial systems of the whole world, but no case has been shown where the depositors in banks, outside of the usual liability of the stockholders, are guaranteed against the loss of their deposits. If we are trying to follow the successful experience of the world in finance, why not heed this object lesson?

[Prof. J. Laurence Laughlin, of the University of Chicago, in Scribner's, July, 1903.]

The existence of complicated monetary and banking problems, understood by only a few, furnishes the opportunity for professional politicians to bring forward measures which may appeal to the private interests of one class against another, but which show utter want of analysis and ignorance of fundamental principles. \* \* \*

Of such a character was the "rag baby" of Greenback days, or the free coinage of silver of more recent memory; and the last member to be added to this motly collection is the guaranty of bank deposits. Its appearance at this moment, soon after a financial crisis, follows the usual sequence of freak schemes in the wake of a business disturbance.\* \* Superficial thinking as to panics, and little understanding of the actual operation of banks, have provided a soil in which the proposal for a guaranty of bank deposits may take quick root. \* \* \*

The purpose of the scheme is to distribute the losses to depositors arising from bank failures among a large number of banks, instead of allowing them to fall on the innocent depositors who are not responsible for them. To this end it is proposed to levy a tax on the bankers to create a fund which, in charge of the National Treasury, shall be used to pay off at once the claims of depositors in insolvent banks. Some advocate the guaranty of the Government, others lay the whole burden on the banks, aided, perhaps, by an initial grant from the Government. \* \*

In proposing to guarantee depositors in general, there is an obvious lack of discrimination in failing to distinguish between deposits in savings banks, whose assets must necessarily be of an investment character, and depositors engaged in active business, who keep checking accounts at commercial banks, which must always keep assets in cash sufficient to meet normal demand requirements. \* \* \* \* \* The protection for depositors in savings banks (or small private banks) is a wholly different problem from one dealing with commercial banks. It is for this first class that Government postal banks are suggested as offering absolute safety. \* \*

The real question, therefore, has to do with commercial banks, such as our national banks, and some of those created by the States; for the trust companies and State banks, while carrying on savings departments, actively strive for the business of commercial banks, and cannot by any means be ignored.

\* \* \* \* \* Because the national banks issue notes, the insurance of these notes by a guaranty fund, providing for their immediate redemption, has been generally admitted as desirable and feasible; although their ultimate redemption is secured by a first lien on assets by the deposit of bonds. If, then, the insurance of the note-holder is regarded as necessary, why not extend the same idea to the depositors? There is, however, a wide difference in the position of a note-holder and the depositor. When a demand liability of a bank, in the form of a note, comes to be used as money, and is passed from hand to hand by buyers and sellers who have no knowledge whatever of the standing of the issuing bank, it must have universal acceptability. \* \*

\* \* \* \* \* It is quite otherwise with the deposit. While the note performs a general and social function, the deposit arises solely from a personal and voluntary act. \* \* \* \* \* The depositor selects his own bank and takes the risks implied in a voluntary choice, thus becoming responsible for his act, just as any one does when he gives credit to a buyer or lets a house. Consequently, the reasons for a guaranty of the notes are obvious; while they would have no application to the guaranty of deposits. \* \* \*

A depositor is, of course, a creditor of a bank; that is, the relation of a depositor to a bank is only one of many other relations existing between creditor and debtor. Is there anything peculiar in the case of the depositor which sets him apart from all other creditors who have voluntarily entered into a creditor relation, and which entitles him alone to protection against the consequences of his own acts? If one sort of creditor



should be insured against the usual mischances of business, why should we not insure all? Why discriminate in favor of him who is rich enough to have a bank deposit? A humble washer-woman who often has outstanding debts which she cannot collect ought to be insured against loss as well as a depositor; she has little means of knowing except by bitter experience, whom to trust. And the same might be said of the cobbler, the milkman, the grocer, the doctor, the merchant, or the large wholesale seller of drygoods, or of any other article; for which they have accounts against others for which they need the collection as well as the depositor in a bank—perhaps more. Why this sudden excess of interest in the creditors, when in the silver agitation every true patriot's heart was burning with zeal to help out the poor debtor? Has the politician exhausted the possibilities of sympathy in the debtor and wishes to try new pastures? Obviously, the proposal to insure depositors as an application of a general principle of insuring all creditors is childish, and has been born in the mind of a man who does not think of things beyond his own nose. \* \* \* \* \*

The honest and efficient banks cannot in justice be asked to make up to a depositor in a failed bank losses for which the honest and efficient banks had no responsibility whatever. It would be clearly unfair to hold a small conservatively managed country bank responsible for the "frenzied finance" of some large bank in a great city. All reason, all justice, demand that the punishment be inflicted on the doer of the wrong and not on the innocent neighbor. In fact, the ethical justification for taxing sound banks to cover the lapses of unsound banks has no existence whatever. It is unmoral. Moreover, it is a question whether the courts would enforce such a law against the rights of property.

More than that, it is not supported by any theory of political expediency but the socialistic. The advocates of insurance deplore the suggestion that it is socialistic, and are as much horrified by the mention of socialism as the devil is by the sight of the cross; and yet what does the analysis show? It is not necessary to explain to intelligent readers that socialism is not opposed to individualism; socialists look to the State to do for them what they admit they cannot do for themselves under a system of free competition. \* \* \* \* \*

The plan for insurance of deposits is urged by its advocates as one which will induce more careful banking, because contributors to the fund will be more vigilant in acting as policemen over other bankers, and stop illegitimate methods in their inception. On the other hand, its opponents claim that it will reduce the best-managed to the level of the worst-managed banks, and remove all premium on skill, honesty and ability. \* \* \*

To relieve the banker from the logical consequences of his own mistakes, of his own weaknesses, is to take away practically the only real safeguard effective on human nature in a business touching the trusts of countless financial interests. The result of such a guaranty would, in my opinion, tend to put a premium on the "popular" and "obliging" banker, as against the careful and judicious banker; to spread throughout the country the influence of men who care more for bigness than safety in their accounts; to build up credit unsupported by legitimate trade; and in the end would bring on financial convulsions proportional in disaster to the extent of the doubtful banking. Not only would it be unjust to ask the efficient to meet the losses of the inefficient, but it is poor policy to stimulate the inefficient to try to do that for which they are unfit. \* \* \*

Finally, the appeal to history gives the plan no authority. We have had experience with a guaranty of deposits in New York under the Safety Fund Act, April 2, 1829. The conditions of the country and the understanding of banking were such at that time that the lessons from that experiment cannot have very much value. Then, there was held only one reserve for both notes and deposits. Expansion of loans in those days meant, in the main, an expansion of notes. The safety fund was, therefore, a protection to both notes and deposits; but as



business was then largely done by notes, its service was much as would be rendered to-day by a guaranty of deposits. What, then, was the outcome? The fund was established by levying a tax of one-half of one per cent on the capital stock until a fund of 3 per cent was reached. After eight years the fund was tested by the crisis of 1837, when there were 90 banks in operation with a capital of \$32,200,000. All the banks suspended and the act itself was suspended for a year. Again, in 1840-1842, the system was put to test by eleven serious bank failures. Thereupon, in 1842, it was decreed that the fund should hereafter be used only for the redemption of the notes of failed banks. The experience of Vermont and Michigan is still less satisfactory.

[Hon. George E. Roberts, former Director of the Mint, before the Montana Bankers' Association Convention.]

The first objection to the guaranty of deposits is that it ignores the fundamental defect of our currency system, its rigidity. There is an actual need for more money to handle the business of the country in the fall of the year than in the other seasons, and the guaranty plan does not meet that demand. The advocates of the guaranty plan recognize no evil in the present situation, but the evil of the panic, when the fact is that the panic is simply the last stage of the disorder. A panic marks the stage where the system finally collapses, but there is a costly strain which precedes the collapse and which does not always come to collapse. A panic comes only once in ten or fifteen years, or twenty years, but the strain and cost of our inflexible currency system, the curtailment of credits, the enhanced interest charges, the inadequate facilities for handling the business of the country, the burden upon the producers of the country, these come every year, and the guarantee of deposits offers no remedy. Instead of seeking to strengthen the banking systems and provide the means by which the banks may meet all the calls upon them, whether those of panic or of legitimate business, this policy proposes that we continue to endure the annual evils of the most inadequate currency system in the world, and confine ourselves to an attempt to persuade depositors not to call for their money. Give the bankers of the United States an institution behind them like the Bank of France or the Bank of Germany, and they will meet all demands upon them whether prompted by panic or otherwise.

The second objection to the guaranty of deposits is that it eliminates character as a necessary factor in the banking business. Under present conditions the investments, the personal habits, general character, and abilities of the banker are a matter of public interest and constantly under the scrutiny of the community. After all allowance is made for occasional instances in which the public has been deceived, who can doubt that this alert and interested public opinion has a great influence in maintaining proper standards of banking practice? We cannot afford to do without that influence.

The conservative banker has some reward to-day in the preference which a discriminating public gives him. It is some protection against demoralizing competition. He can follow his own policy and be assured that at least a share of the public will appreciate his methods and support him. There are people who are not influenced in the selection of their bank by the highest rate of interest offered on deposits. A banker now prizes the reputation of doing a safe business, and cannot afford to have a reputation for imprudence or speculative tendencies. And yet, although held in check by these powerful considerations, the pressure of competition carries the business too near the danger line now. There is too much competition for deposits now, and the ambition of the more venturesome, and the pace they set, puts the whole system under strain.

But what are likely to be the conditions in the business when the public is no longer concerned about the management of a bank and all the rewards for conservatism and restraints upon recklessness are removed? Practically all the considerations which in the past have tended to safeguard the business and advance its standards would be gone. The public would care

nothing for the personality of the banker. The question relating to his fitness for the custody of money would become obsolete. The reckless and incompetent people who are now excluded from the banking business or held in check by the distrust which the public feels toward them, would make the pace to which everybody else would have to conform or get out of the business.

The hardest competitor in any line of business is the inexperienced or incompetent man who doesn't know whether he is making or losing money and whose only idea of building up his business is to offer a little greater inducements than his rival will give. In the banking business with deposits made a joint liability, it is difficult to see why they should not all go to the people who will bid the highest for them, a condition that would be unjust and intolerable to the class of men best qualified to handle the banking business of the country.

The argument for the guaranty of deposits is based on the ground of public policy. It is admitted that it may be injurious to the banker of experience and established character, but urged that their interests should be subordinated to the general good. But on broad grounds of public policy is it desirable to eliminate experience and established character as factors in the banking business? It cannot be advantageous to the community in the long run to have its accumulated savings and working capital pass into the hands of the venturesome class who will bid most for them. Such a system will break down eventually through its inherent weakness as a similar one did break down in the State of New York years ago. The fact that the first bank failure in Oklahoma since the law went into effect was followed by immediate reimbursement of the depositors at the expense of the other bankers of the State, proves nothing as to the practicability of the system in the long run. What will the influence of the system be upon the banking business and its standards? Will it tend to secure more careful and capable investment of the vast sums which the people of this country keep in banks, or will it tend to weaken the personal responsibility for these funds and divert them into incapable and wasteful hands? Instead of looking for security to the individual banker who received the deposit and invests it, the depositor will pay no attention to him, but rely upon an outside "fund." It is a superficial policy which neglects real safeguards and relies upon a false principle which is itself an element of peril.

[From address of Mr. Jno. B. Marony, President Montana Bankers' Association Convention.]

Among other remedies for the prevention of financial stringency and panic that has been widely proposed is the guaranteeing by the Federal Government of deposits in national banks, and the guaranteeing by the several States of deposits in State banks. Such a thing, in my opinion, is utterly impracticable and a dangerous experiment. Personally, I am opposed to paternalism in any government, and, in my judgment, this is paternalism in the extreme.

So much has been written pro and con upon this subject that it would be presumptuous on my part to inflict upon you my views thereon at any length, but if the Government is to guarantee deposits in banks, why not go into the insurance business in all of its aspects and ramifications? Why not guarantee that the grocer sells his sugar without sand, or that your house will not burn down, or that your crops will always prove bountiful?

If this guarantee and insurance business is to be carried out of its legitimate or illegitimate ends, following the guarantee of bank deposits, why not supplant Lloyds and take a bet on anything from a storm at sea to the clip of wool on a sheep's back. Will the Government or State say by such a law that one bank is as good as another, and that, as a result of the guarantee of deposits? Will they say that the plunger and reckless banker can establish a bank on one corner of the street, paying whatever interest on deposit he will, or in any manner he chooses stimulate and increase his deposits to the end that he may build up a big deposit account, and then loan money regardless, and that



the safe and conservative banker with his institution of many years standing, on the opposite corner, shall pay into the common pot of insurance to maintain the credit and make good on deposits drawn into the recklessly managed bank regardless of consequences. I say to you that such a law would run counter to the current of human nature. No law can successfully do that. No legislation can turn that current. Men are human, and bank managers are cast along different lines, with different views and different ideas of running their institutions.

The State of Oklahoma guarantees deposits in State institutions. I read an advertisement the other day that an Oklahoma bank with \$10,000 capital was advertising to pay four per cent on its deposits, and citing the State's guarantee for the security of these deposits. Why not this bank with its \$10,000 capital and its extraordinary inducement for deposits build up its deposit account to a million dollars or ten million dollars, and doing that, to live, must loan its money? Will any man argue that those loans will be safe or conservative? A notable article on this subject was recently written by Prof. J. Laurence Laughlin, a noted political economist of the University of Chicago. He maintains that "the ethical justification for taxing sound banks to cover the lapses of unsound banks has no existence whatever." It is immoral and illogical. "The deposits of a bank are as safe as the value of the assets in its loan item, no more, no less." It is idle, in my judgment, to discuss this matter to a convention of intelligent bankers, for I am sure that they are almost unanimously of the same opinion, and that is one of absolute opposition to any such theories.

[From address of Mr. H. V. Alward before the Montana Bankers' Association Convention.]

Two important plans affecting our financial system have been much discussed this year. One, the guaranteeing of bank deposits, will, I believe, be the subject of the address of this convention. In this connection, I only wish to quote a sentence from a recent able address, which you probably have all read, but which contains so much wisdom that it can not be too often repeated. It is as follows—speaking of deposit guarantee: "The unsound banks would actually take business away from the sound ones with specious promises, to which conservatively managed banks would not resort, and on reckless terms with which they would not compete; while to the extent of their contributions to the guaranty fund, the sound institutions would support the unsound in their recklessness, besides giving them a standing and credit which they could not otherwise obtain."

[From annual address of Pres. Kaufman, of Michigan Bankers' Association.]

Government insurance of deposits is a cordial invitation to those who wish to carry on dishonest banking to enter the business, and compels the honest and the skillful banker to bear the burden for the slovenly financier and the thief. If one of the latter class goes to the wall, under the insurance plan the bank that has spent years in careful and honest administration and built up a reputation, must devote part of its earnings to make good the losses of the get-rich-quick fiend after he has deliberately allowed his institution to collapse. The argument is used by friends of the insurance plan that the criminal law reaches this style of banker, and that, therefore, failures would be few and far between.

The criminal law will reach them if they do business under the general banking law of the State or under the national banking law, demonstrating there is no real necessity for insurance to protect depositors in well managed institutions, and the other kind should not exist.

Government insurance of deposits would mean a tax upon the people patronizing banks in order to protect the man who should have sense enough to protect himself. In other words, it would place a premium on incompetency of the depositor as well as the banker. This species of paternalism is, in my estimation, foreign to the spirit of our democracy, which protects every man in his rights, and leaves him to manage his own business as he



deems best. If the Government is to guarantee bank deposits; why not guarantee all kinds of credits and tax the retailers in all lines, so that the wholesalers who sell on sixty and ninety days' time can be sure of getting their money. One is just as logical as the other.

Under a Government guarantee, or any other guarantee of deposits, years of effort, initiative, character, judgment and sound integrity, methods of building up and maintaining a banking institution count for nothing in attracting depositors. The bank of sound creation and the mushroom institutions of yesterday are on the same level in the eyes of the depositor.

**The Oklahoma Guarantee Plan and the National Banks—  
Decision of the Attorney General and Comptroller of the  
Currency.**

The recent decisions of the Attorney General and Comptroller of the Currency as to the right of national banks to participate in the Oklahoma guarantee fund plan, are outlined in the following extracts therefrom: Certain of the national banks of Oklahoma had requested permission from the Comptroller of the Currency to participate in the Oklahoma guarantee system, but he declined to grant the permission, requesting an opinion from the Attorney General, who held that a national bank has no right to enter into a contract or other arrangement with State officials for the purpose of creating a guarantee fund out of the bank's deposits or capital stock to be used in paying the depositors of any bank included within the terms of a State statute any deficiency there may be in the amount to be received by them from assets of such bank in the event of its failure. The decision in part says:

The statute of Oklahoma to which you call my attention creates a State Banking Board, composed of certain designated State officers, and requires the said board to "levy against the capital stock an assessment of 1 per cent of the bank's daily average deposits," with certain deduction "upon each and every bank organized and existing under the laws of this State." This assessment is to constitute what is designated as a "depositor's guarantee fund," and additional assessments are to be levied against the capital stock of the banks, proportionately to the amount of their deposits, so as to always maintain the fund at the designated amount.

It is generally recognized that a national bank has no power to guarantee the obligations of a third party unless in connection with a sale or transfer of its own property, and as an incident to the banking business.

It has been argued that the bank in this case would not guarantee the obligations of other banks, but would only agree to put the State of Oklahoma, through its Banking Board, in funds to make effectual such a guarantee on its part. I think this is a distinction without a difference.

I have not overlooked the fact that by the terms of the proposed contract between the bank in question and the State or its Banking Board the said bank agrees to do nothing which shall be in conflict with the Federal laws, but this provision is not relevant, for the entire contract is ultra vires for a national bank, and prohibited by the necessary intendment of the statute. I hold that such is the fact with respect to the contract proposed in this case—that it is illegal for the officers of any national bank to enter into such an agreement as is contemplated by section 4 of the Oklahoma statute, and that persistent and willful action to this effect on the part of any such bank would be just cause for the forfeiture of its charter.

The opinion of Attorney General Bonaparte sustains the position taken by Comptroller Ridgely, and later by his successor, Comptroller Murray.

**Few National Banks Favoring the Oklahoma Plan.**

WASHINGTON, Aug. 26.—T. P. Kane, acting Comptroller of the Currency, makes the following statement:

"A statement is going the rounds of the press to the effect that a large number of the national banks in Oklahoma have notified the Comptroller of

the Currency of their intention to surrender their national charters and enter the State banking system, because of the opinion rendered by the attorney-general that they cannot lawfully avail themselves of the State guaranty law. This statement is not in accord with the facts. There are about 310 national banks in the State of Oklahoma. Only 57 entered into the guaranty scheme. On August 8, 1903, these 57 banks were notified that they must withdraw from the agreement, and so far replies have been received from 33 of them. Twenty-seven have informed the Comptroller that they have notified the State Banking Board of their desire to withdraw from the guaranty agreement. Seven have indicated their intention to surrender their national charters and reorganize as State banks, but two only have thus far actually gone into voluntary liquidation for that purpose. Replies have been received from 134 of the 253 banks that have not entered into the agreement. A majority of them state they had no intention of doing so, as they were not in sympathy with the movement. One national bank, recently chartered, states that its purpose in converting from a State bank to the national system was to escape the requirements of the guaranty law."

The organization of capital into corporations with the position of advantage which this gives it in a dispute with single laborers over wages, makes it absolutely necessary for labor to unite and maintain itself.—Hon. Wm. H. Taft, at Cooper Union, New York City.

If I am elected President, I shall urge upon Congress, with every hope of success, that a law be passed requiring a filing in a Federal office of a statement of the contributions received by committees and candidates in elections for members of Congress and in such other elections as are constitutionally within the control of Congress.—From Hon. Wm. H. Taft's speech accepting Presidential nomination.

There is a class of capitalists who look upon labor unions as per se vicious and a class of radical labor unionists who look upon capital as labor's natural enemy. I believe, however, that the great majority of each class are gradually becoming more conciliatory in their attitude, the one toward the other. Between them is a larger class, neither capital nor labor unionist, who are without prejudices, and I hope I am one of those.—Hon. Wm. H. Taft, at Cooper Union, New York City.

We are winning headship among the nations of the world because our people are able to keep their high average of individual citizenship and to show their mastery in the hard, complex, pushing life of the age. There will be fluctuations from time to time in our prosperity, but it will continue to grow just so long as we keep up this high average of individual citizenship and permit it to work out its own salvation under proper economic legislation.—President Roosevelt at Minneapolis, April 4, 1903.

The American people are studying these questions as never before. They prize their independence. They insist, and will forever insist, upon that liberty which is among the most precious of their possessions; but they realize more and more as the years go by that when liberty becomes license, when great power is misused, and great privileges are abused, they as individuals suffer, and the citizenship in which they glory is weakened and discredited.—Address of Secretary Cortelyou at the annual banquet of the Syracuse Chamber of Commerce, Syracuse, N. Y., Tuesday evening, April 21, 1908.

I have reviewed what have properly come to be known as President Roosevelt's policies. I have attempted to point out one or two instances in which I would qualify details of future policies which he has sketched, but with these minor exceptions as to method, I am glad to express my complete, thorough, and sincere sympathy with, and admiration for, the great conserving and conservative movement with which he has with wonderful success initiated and carried so far against bitter opposition, to remedy the evils of our prosperity and preserve to us the institutions we have inherited from our fathers.—Hon. Wm. H. Taft, at Columbus, Ohio.

Labor needs capital to secure the best production, while capital needs labor in producing anything. The share of each laborer in the joint product is affected not exactly, but in a general way, by the amount of capital in use as compared with the number of those who labor. The more capital in use the more work there is to do, and the more work there is to do the more laborers are needed. The greater the need for laborers the better their pay per man. Manifestly, it is in the direct interest of the laborer that capital shall increase faster than the number of those who work. Everything which legitimately tends to increase the accumulation of wealth and its use for production will give each laborer a larger share in the joint result of capital and labor.—Hon. Wm. H. Taft, at Cooper Union, New York City.



## PRESIDENT ROOSEVELT.

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**Theodore Roosevelt:** born in New York, October 27, 1858; elected to the New York legislature in 1881; delegate-at-large to the Republican National Convention in 1884; United States Civil Service Commissioner 1889-95; President of New York Police Board 1895-7; Assistant Secretary of the Navy 1897-8; Lieutenant-Colonel and Colonel of Rough Riders' regiment during the war with Spain; Governor of New York 1899-1900; was elected to the Vice-Presidency in 1900 and succeeded to the Presidency on death of President William McKinley, September 14, 1901.

He devoted the remainder of that presidential term to carrying out the policies of President McKinley, in Cuba, in the Philippines, in developing and strengthening the Monroe doctrine, in his dealings with the various aspects of the Venezuelan question, and in his official relations with the various American countries; gave prompt recognition to the infant republic of Panama, in which he was quickly followed by the principal nations of the world; inaugurated the Panama canal work; put in operation the new Department of Commerce and Labor; adjusted, through arbitration, the anthracite coal troubles when the strain between labor and capital was the greatest ever known in this country; and instituted through the Attorney-General's office a rigorous enforcement of existing laws against discriminations and other unjust dealing by trusts and other great corporations of the country.

In November, 1904, Mr. Roosevelt was elected to the Presidency by the largest popular majority ever given in the history of the country. He carried every State north of Virginia and the Ohio River, and every State west of the Mississippi excepting Arkansas, Louisiana, and Texas. His triumph was fully expected, and it was accepted with content, if not with marked approval, in the States which had given their majorities to Judge Parker. Early on election evening Judge Parker sent the President the following telegram: "The people by their votes have emphatically approved your administration, and I congratulate you." At the same moment,—namely, on Tuesday evening,—as the sweeping nature of the victory came to be known, President Roosevelt made a remarkable announcement, which appeared in the newspapers, Wednesday morning, along with the reports of the election:

I am deeply sensible of the honor done me by the American people in thus expressing their confidence in what I have done and have tried to do. I appreciate to the full the solemn responsibility this confidence imposes upon me, and I shall do all that in my power lies not to forfeit it. On the Fourth of March next I shall have served three and one-half years, and this three and one-half years constitutes my first term. The wise custom which limits the President to two terms regards the substance and not the form. Under no circumstances will I be a candidate for or accept another nomination.

Mr. Roosevelt was not under any kind of pressure or obligation to make such a statement. He had been re-elected by the people of the country, without reliance upon the special aid of any individuals or interests, and he could have left the future to shape itself. But he believed that he could do the work that lay before him more effectually if it were known that he was not unduly elated by his personal success, and that he meant to bring all his efforts to bear upon the performance of the duties of his office without diverting the smallest degree of energy toward the winning of support for still another term.

This statement made a profound effect upon the country. It is not often that a man of such decision and strength as Mr. Roosevelt can escape a change in the wind of popular favor. Yet, if Mr. Roosevelt had not made it clear that he would hold firmly to his announcement of November, 1904, the Republican party would have renominated him by acclamation and he would not only have carried all the States that gave their majorities for



him in 1904, but he would also probably have carried several others. Since Mr. Roosevelt was firm in his decision, in spite of much pressure brought to bear upon him, it was highly fortunate that his personal judgment concurred with that of the great majority of the party in believing that the Hon. William H. Taft, Secretary of War, was the man best suited under all existing circumstances and conditions to receive the nomination. At no point in his brilliant career have the moral strength and political integrity of Theodore Roosevelt been clearer to the country and to the world than in the part he took in helping the party to carry out what was its own best judgment in choosing Mr. Taft with the hearty acceptance of every Republican factor and element.

Mr. Roosevelt's administration has been so replete with valuable achievements that a mere recapitulation of them would fill many pages. At no time in our history have our relations with foreign countries been so friendly, and at no time has our position as an influence for good in the affairs of the world been so solid and unquestioned as in this period of Mr. Roosevelt's administration. There is not a European power, great or small, with which our government is not upon terms of good understanding. With none of the great powers is there any question pending that occasions friction.

Our relations to our own continent have been vastly improved. Outstanding questions between this country and the Dominion of Canada are all either cleared up or in the way of settlement through friendly negotiations. Mr. Roosevelt and his distinguished Secretary of State, Mr. Root, have almost completely changed the attitude of South America toward our government, having convinced the leading republics of the South of our friendliness and good will.

To have been instrumental in calling the second Hague Conference belongs to the credit of President Roosevelt, and this work for the promotion of peace was attended with the negotiation of numerous special arbitration treaties with foreign countries; by practical steps which secured neutrality for China in the Russo-Japanese War; and, finally, by the masterly statesmanship which secured an ending of hostilities in the Far East and the assembling on American soil of the representatives of Russia and Japan to fix upon terms of peace.

The successive stages in the organization of government and of engineering work at Panama have been of lasting credit to Mr. Roosevelt and his administration. What was the most unwholesome has now become perhaps the healthiest spot in the whole tropical world through enlightened sanitary work. Enormous progress has been made in digging the Panama Canal, with an efficiency on the part of government officers that fully equals that recently shown by great American railroad and industrial corporations in their own improvement. One important step in bringing this about was the President's own personal visit to Panama in November, 1906.

Mr. Roosevelt has served in the Presidency during a period of inevitable readjustment following the astounding material progress of the country. Different kinds of industries were coming under the control of great unified corporations, popularly known as trusts. Railroads were being reorganized and amalgamated in large systems. It became necessary for the welfare of the public to bring these large aggregations of capital under the reasonable authority of law and government. No President of firm character and statesmanlike understanding could have avoided the serious duties and responsibilities which this condition in the country had created. Mr. Roosevelt's attitude toward questions of this character was that of a firm executive rather than of an aggressive innovator.

It was the judgment of fair-minded and wise men that the practice of rebating and the granting of various forms of special favor by railroads to large corporations and shippers could no longer be tolerated. The fact that such practices have been almost entirely broken up will stand to the credit of President Roosevelt's administration. The public and the railroads alike are benefited. The small industries are now secure in their rights as against their large competitors. This process of bring-

ing even-handed justice to bear upon the economic life of the country is not yet complete, but the main lines are laid down upon which to proceed. President Roosevelt has again and again declared in favor of such modifications of existing laws as would make it easier to break up methods that are injurious, while placing no obstacles in the way of lawful and beneficial enterprise. The creation of the new Department of Commerce and Labor with its various activities has proved itself a measure of constructive statesmanship that will also stand to the credit of President Roosevelt's administration.

No President has ever worked more intelligently and constantly at the business of his high office than President Roosevelt, and yet he has managed to travel and observe conditions in all parts of the country. Within the first year of his second term it could be said that since entering upon the duties of the Presidency he had visited and spoken in every State and Territory of the Union. His trips to different parts of the country have been taken in such a way as to add to his already extensive knowledge of resources and conditions. No other man among his fellow citizens is so well informed as he about all sorts of things in all parts of the country. This broad knowledge has been of inestimable value in the carrying on of the work of various departments and bureaus. The great reclamation work carried on under government engineers has flourished largely by reason of Mr. Roosevelt's personal knowledge and interest. A like statement might be made regarding various reforms in the public land service. The work of the forestry bureau under his fostering care and wise enthusiasm has grown to such proportions as to give reassurance for the future, where otherwise the outlook for destruction of all our forests was very grave. The taking in hand by the government of the improvement of the country's interior waterways is another policy with which Mr. Roosevelt is to be credited as the foremost leader. At no time has he stood before the whole country in a more patriotic and creditable way than in his conduct of the great conference of Governors and various experts in the spring of 1908 at the White House to consider the proper care of the country's natural resources.

In all matters relating to the army and navy President Roosevelt is a high authority, and he has placed the country's defenses in a position that has enhanced the respect in which our government is held everywhere without arousing any antagonism or jealousy among the nations. In the remission of the Chinese indemnity, granted by Congress on his recommendation, another evidence has been given of our good will towards the great Celestial Empire. In the negotiations with Japan regarding attacks upon Japanese citizens in our Western States and the desirability of limiting Japanese immigration, President Roosevelt and Mr. Root have allayed ruffled feeling and made peace a permanent fact. The great naval expedition around the world as determined upon and executed by Mr. Roosevelt against much bitter criticisms has justified his highest expectations and made friends everywhere for the government and people of the United States.

Our diplomatic and consular services abroad have been improved in the most signal way under President Roosevelt, and our representatives in official life in Porto Rico, Cuba, the Philippines, and elsewhere have been so fortunately selected as to reflect much credit and no scandal upon the administration at home. Never before have the various scientific services of the United States Government been so expertly and efficiently carried on.

Thus, to sum up, Mr. Roosevelt as President has added to our strength in improved relations with all European powers; has made the Monroe Doctrine respected everywhere and brought about the most fortunate relations with South America; has managed our insular dependencies so well as to have made so-called "imperialism" no longer an issue; has made it popular throughout the country to put talent, honesty, and zeal at the service of State and nation; has set a fine example of vigor and character before all our young men. When Mr. Roosevelt's term ends and he retires from office next March it will be as our only living ex-President and as our foremost citizen, with



undiminished capacity for public usefulness and a demonstrated patriotism beyond the promptings of personal ambition.

Much of President Roosevelt's work and that of his administration is outlined in the chapters on the work of the Departments.

### **Some Important Incidents in Administration of President Roosevelt.**

Abrogation of the Clayton-Bulwer Treaty.  
 Prompt recognition of the Panama Republic.  
 Inauguration of work on the Panama Canal.  
 Reciprocity treaty with Cuba.  
 Mediation in the Venezuelan dispute with Germany and England.  
 Mediation in San Domingo.  
 Mediation in the Russo-Japanese war.  
 Mediation in the Central American hostilities.  
 Mediation in the coal strike in the United States.  
 Intervention in and temporary occupation of Cuba.  
 Call of Peace Conference at The Hague.  
 Investigation of packing houses and strengthening of pure food laws.  
 Postoffice department investigations.  
 Enforcement of laws with reference to Interstate carriers.  
 Settlement of the Alaskan boundary dispute.  
 Establishment of the Irrigation and Reclamation Service, and extension of forest reserves.

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Defense against injurious importations is as necessary and justifiable as is an army and navy.—Hon. B. F. Jones.

Changes in tariff schedules can with safety be made only by those whose devotion to the principle of protection is beyond question.—From President Roosevelt's speech of acceptance.

We cannot help labor by reducing the value of the money in which labor is paid.—Hon. Wm. McKinley to delegation of workmen, August 24, 1896.

The business world—that is, the entire American world—can not afford, if it has any regard for its own welfare, even to consider the advisability of abandoning the present [protection] system.—President Roosevelt at Minneapolis, April 4, 1903.

We can as little afford to tolerate a dishonest man in the public service as a coward in the army. The murderer takes a single life; the corruptionist in public life, whether he be bribe giver or bribe taker, strikes at the heart of the commonwealth.—President Roosevelt's speech at Sherman statue unveiling, Oct. 15, 1903.

It is always safe to array yourself on the side of your country; it is always safe to stand against lawlessness and repudiation.—Maj. McKinley at Canton, Sept. 23, 1896.

We have lower interest and higher wages, more money and fewer mortgages.—President McKinley.

While this is a big country, it is not now, and may it never be, big enough knowingly to admit into the ranks of its citizenship any avowed disorganizer of government or any avowed scolder at our republican institutions. But our hands are outstretched to those who come to us with worthy purpose.—Postmaster-General Cortelyou.

The only antitrust law on the Federal Statute books bears the name of a Republican Senator. The law creating an Interstate Commerce Commission bears the name of another Republican Senator and all the law is being enforced by a Republican President.—Hon. E. L. Hamilton, in Congress, April 14, 1904.

We do well to give the sanction of the Federal law to the principle of arbitration. We should encourage a spirit of concord and mutual respect between employer and employee, between the common carriers of interstate commerce and their employees.—Hon. C. W. Fairbanks, in U. S. Senate, May 12, 1898.

One vital, dominating fact confronts the Democratic party which no oratory, which no eloquence, which no rhetoric can obscure: BRYAN'S NOMINATION MEANS TAFT'S ELECTION.—New York World.



# THE 60TH CONGRESS.

## What the Republican Majority has Done.

[From the New York Tribune.]

With the adjournment of the first session of the 60th Congress, another creditable page has been added to the history of the Republican party. Meeting under conditions not wholly auspicious, confronted by unsettled business conditions and hampered almost throughout the session by the unreasonable filibustering tactics of the Democrats in the House, the leaders of the majority have written numerous valuable laws on the national statute books and have added a quota to the body of international law never before equaled by any session in the annals of the nation.

In the face of widely varying opinions on the subject of finance the Republican majority has once more demonstrated its remarkable ability to subordinate personal views and preferences to the opinion of the majority, and the most important law of the session, the compromise financial bill, is the result. Whatever view may be entertained of the respective merits of the various financial theorems which found abundant expression in course of the session, few impartial judges will withhold admiration for the party discipline which brought harmony out of practically irreconcilable differences and enacted a law which, although it will probably never be called into action, constitutes an insurance against recurring monetary stringencies and their consequent panics. Moreover, the constructive ability which made this law possible furnishes an earnest of the highly desirable results to be expected from the work of the National Monetary Commission, which has been created to evolve a new financial system which shall obviate all reasonable objections to existing methods and place the federal finances on a basis as sound as the demands of a rapidly and steadily growing country and a constantly expanding commerce require.

Aside from the financial law, the legislation of this session is composed of a great number of comparatively small laws, thoughtfully conceived and perfected with much hard work and care, the aggregate constituting a highly valuable addition to the federal statutes, although few are in themselves of outstanding importance. The work of the Senate in perfecting and approving international conventions must compel admiration from every student of public affairs.

The most perfect harmony and cooperation have existed between the Department of State and the Senate, and rarely has the Committee on Foreign Relations held a formal meeting without the attendance of Secretary Root, whose wise counsel has been eagerly sought, whose lucid explanations and logical arguments have proved invaluable to the committee, with the result that forty-one treaties have been ratified and only one is left for further consideration, the international convention governing the operation of wireless telegraphy. Three Hague conventions have been left without action, but two of these were not signed by the American plenipotentiaries to the second Hague convention, and ratification of the third was not urged by the Secretary of State.

The cause of arbitration has been promoted by the ratification of treaties with twelve of the great powers; the approval of eleven Hague conventions will materially make for peace and diminish the hardship to non-combatants in international wars, while treaties with Japan protecting the integrity of American trademarks and copyrights from imitations and infringement by Japanese citizens in China and Korea will go far to dissipate a hitherto productive source of friction between this country and Japan. The skillful negotiations of the representatives of the United States and Great Britain and the cordial cooperation of the Senate have removed numerous obstacles to the friendly relations of Canada and this republic, and the result of the conventions ratified will be the impossibility of boundary and jurisdiction controversies.

One of the most important laws enacted perfects former legislation increasing the efficiency of the militia. Under the former law the equipment of the militia with arms and accoutrements similar to those of the regular army was partly accomplished, but the new statute practically makes the national guardsmen an integral part of the national military establishment, subject to the call of the President in time of need, obviating the necessity of reorganization and even partial re-equipment of the state forces during the stress of threatened hostilities.

True to its promises as expressed in several national platforms the Republican party has cheerfully acknowledged the arrival of the hour when the existing tariff schedules must be readjusted to meet new conditions, and both houses of Congress have made ample provision for the accumulation and compilation of such information as may be needed in the revision scheduled to occur at a special session of Congress to be held next spring.

Responding to the recommendation of the President, the Congress has made provision for an act of international justice and generosity only paralleled by the relinquishment of the control of Cuba—the voluntary remission of more than \$10,000,000 of the indemnity exacted from China to meet damages resulting from the Boxer uprising.

Generous provision has been made for the extension and completion of the national defenses by the addition of two modern battleships to the navy, besides several smaller vessels; the fortification of Pearl Harbor and the establishment there of an effective naval base, the completion of several coaling stations already begun, and the perfection of modern systems of fire control, the installation of up-to-date batteries and the con-

struction of modern ordnance for coast defenses already established. Proper provision has been made for the increased demands of the modern navy by increasing the personnel by six thousand men and the marine corps by six hundred officers and men, and the pay of the army, navy and marine corps has been increased in accordance with the demands of modern civilization and the increased requirements of foreign service and numerous and long transfers of station.

The Republican party has pursued its customarily generous course toward the veterans of past wars and has cared for the dependents of the men who have given their all to their country by an increase of the small stipends of their widows by 50 per cent.

The Philippines have not been forgotten, an additional member having been added to the islands commission and the application of the coastwise laws of this country to the archipelago having been suspended in the interest of Philippine commerce and prosperity.

In the light of experience gained from past misfortunes the navigation laws of the country have been revised and strengthened at every point, and the safety of those who for pleasure or duty go down to the sea in ships has been enhanced and safeguarded in every possible manner, including the establishment of numerous additional lighthouses, placing of buoys, and the control of the vessels and their crews.

Labor has been cared for in many ways. A revised 'employers' liability law has been enacted to replace that declared unconstitutional by the Supreme Court; a federal liability law, protecting those government employees engaged in hazardous undertakings has been placed in the statutes, and only the extravagant demands of certain labor leaders have prevented the enactment of an equitable anti-injunction law, to which subject the entire Republican membership of the House devoted many hours; and for the juvenile wage earners a child labor law has been enacted for the District of Columbia which it is hoped and believed will serve as a model for numerous state statutes.

### Matters Left for Future Action.

Among the measures left for further consideration at the next session of Congress are some of the most spectacular propositions of the session, some policies urged by the President and others advocated vociferously in the public prints, many, perhaps, of hardly equal importance to measures which have been enacted without attracting extensive popular attention. But intelligent examination of these policies and proposed laws reveals the fact that they are replete with difficulties, and that only that prudent deliberation which has ever characterized the legislative work of the Republican party can insure the success of such policies when finally enacted and avert the pitfalls offered by hasty or inconsiderate action. Much time and thought have been devoted at this session to every important subject which failed of action, time and thought which must ultimately result in wise legislation free from those errors of policy and inaccuracies of statutory expression which are inevitable concomitants of hasty consideration of important and intricate legislative problems.

### Important Laws Enacted.

Sixtieth Congress, First Session, December 2, 1907, to May 30, 1908.

Financial law whereby banks in periods of financial stringency may issue currency to the amount of \$500,000,000, depositing as security therefor bonds, commercial paper or other assets, such emergency currency being so taxed as to insure its retirement as soon as the stringency has passed.

Customs law changed so that importers must present all evidence in appeal before board of appraisers, simplifying procedure, increasing appraisers' salaries and making them removable only for cause.

Militia made integral part of the national military establishment, with additional appropriation of \$2,000,000 for equipment, etc., making total annual appropriation for militia of \$5,000,000.

Public buildings bill, authorizing many needed structures; purchase of sites, etc., including site for Departments of State and Commerce and Labor, adjoining Treasury and White House grounds.

National monetary commission created to devise a sound monetary system for the government.

Two new battleships, at cost of \$6,000,000 each, exclusive of armor and armament; ten torpedo boat destroyers, three steam colliers and eight submarines.

Consular service reorganized, abolishing unnecessary consulships and consul generalships and establishing those most needed.

Widows' pensions increased from \$8 to \$12 a month and certain unnecessary restrictions abolished.

Importation of impure tea, tea siftings, etc., prohibited.

"In God We Trust" restored to gold and silver coins.

Investigation of tariff, preliminary to revision, confined to Ways and Means and Finance committees.

Model child labor law for District of Columbia.

Employers' liability bill enacted to replace that pronounced unconstitutional by Supreme Court.

Government liability law, providing compensation to all federal employees for injuries received in line of duty.

Additional safeguards provided for regattas.

Provision for fortified naval base at Pearl Harbor, Hawaii, for Hawaiian drydock and the completion of coaling stations at San Diego and California City Point.

Efficiency of army medical corps increased by additional officers and creation of reserve medical corps.

Game in Alaska protected.

Increasing army pay, officers approximately \$500 a year each and enlisted men about 40 per cent, increase applying to both retired and active lists.



Increasing navy pay, officers and enlisted men practically equalized with army. Enlisted force increased 6,000 men.

Marine corps increased approximately 600 officers and enlisted men.

Restrictions on lands of the Five Civilized Tribes removed adding \$150,000,000 to taxable property of Oklahoma.

Addition of one member to Philippine Commission.

Numerous additional lights, lighthouses, and buoys.

Creation of rank of captain in Philippine Scouts, companies having heretofore been commanded by lieutenants.

Enlarging the classification of employees to whom railroads may grant free transportation.

Provision that appeals from decisions of federal courts on habeas corpus proceedings shall be had only when such court or a justice of the Supreme Court decides there is ground for appeal.

Immigration station established at Philadelphia at cost of \$250,000.

Additional safeguards for passenger-carrying ships provided.

Efficiency of life-saving service promoted by raising compensation and providing pensions.

Payment of damages of \$400,000 for Catholic Church property destroyed in Philippines.

Establishing thirty additional fish hatcheries and otherwise increasing efficiency of Fish Commission.

Granting 3,000 pensions to deserving veterans of the Civil and Spanish wars.

Repealing application of coastwise laws to the Philippine Islands.

Secretary of Navy authorized to receive and care for gifts to naval vessels.

Creation of commission and appropriation of \$1,500,000 for representation of the United States at the Tokyo exposition.

Prohibiting desecration and improper use of the flag.

Revenue cutter service increased by transfer to that service of gunboat Vicksburg.

Salaries of assistants to Cabinet officers raised to \$5,000 a year.

Appropriation of \$14,500 to meet expenses of counting electoral vote.

Appropriation of \$29,227,000 for the Panama canal.

Appropriation of \$20,000 for continuing survey and marking boundary between the United States and Canada.

Female nurse corps established for navy hospitals and navy hospital ships.

Military bands must not compete with civilian musicians.

Drainage of public lands in Minnesota, including all unpatented lands.

Joint maneuvers of army and militia authorized, with \$1,000,000 appropriation.

Remission of \$10,800,000 of the Chinese indemnity resulting from Boxer uprising.

Anarchistic and seditious publications and intoxicants and cocaine excluded from the mails.

Attorney General directed to institute suits to compel forfeiture to the United States of certain lands granted to the Central Pacific, Oregon Short Line, etc., on ground of violation of contract.

Invitation extended to all nations to send delegates to the International Tuberculosis Congress, to be held at Washington, beginning September 21, 1908.

Chippewa national forest reserve created in Minnesota.

Patent law amended so that all patents shall issue within three months after final fee is paid, and that in the event of the death of patentee any patent pending shall issue to his legal heirs.

Secretary of War authorized to expend \$250,000 for the relief of sufferers from cyclone of April, 1908, in Georgia, Alabama, Mississippi and Louisiana.

Interstate Commerce Commission authorized to prescribe regulations for the transportation by common carriers of explosives, to promote the safety of passengers and employees.

Penalty imposed on soldiers who sell their arms, uniforms, or accouterments mitigated.

Railroads engaged in interstate commerce prohibited after January 1, 1910, from using any locomotive equipped with an ashpan which necessitates an employee getting under the engine.

Sixty-two laws authorizing construction of bridges over navigable streams.

Five laws authorizing construction of dams in navigable streams.

Nine laws affecting federal courts, judicial districts, etc.

Seven laws affecting customs, granting increased privileges to certain ports, etc.

Twenty-five laws affecting public lands, making special grants, etc.

Seven laws for the District of Columbia, including prohibition of all betting within the District and providing for free examination of sputum in suspected cases of tuberculosis.

Five laws authorizing the Secretary of War to donate obsolete ordnance to quasi-military organizations, including one of Confederate veterans and one erecting a Confederate monument.

Pediment for House front of the Capitol provided for at cost of \$75,000.

Resolutions condemning Representative Lilley and exonerating members of the House from implication of improper influences in connection with submarine boat appropriations.

Commission, consisting of Secretary of War, chairmen both committees on Public Buildings and one District commissioner, to investigate Bieber land scandal and similar cases.

Investigation of wood pulp industry; House committee reported no warrant for altering tariff at this time and no conclusive evidence of a trust, but sufficient ground for further investigation.

One hundred and fifty-two public laws were enacted.

There were 2,300 invalid pension acts and about 700 private pension acts.

Bills introduced: In House, over 22,000; in Senate, over 7,000.



**Measures Left Over for Next Session.**

Venezuelan reprisals, correspondence, etc., left in Senate Committee on Foreign Relations.

Brownsville resolutions, providing for restoration to the army of certain soldiers discharged from the 25th Infantry.

Changes in administrative customs laws, in accordance with agreement with Germany.

Postal savings bank bill. Left on Senate calendar.

Parcels post reduction. No action by either house.

Provision for model of battleship for each state for which such ship is named. Left in House committee.

Federal injunctions against state statutes to be issued only by majority of three federal judges; left in House Judiciary Committee.

Anti-injunction legislation. Left in House Judiciary Committee.

Federal grain inspection. Left in Interstate Commerce Committee.

Amendments to Sherman anti-trust law. Left in House Judiciary Committee.

Campaign publicity legislation. Left in Senate committee.

Creation of public utilities commission for District of Columbia.

Amendment of interstate commerce law to give states jurisdiction over intoxicating liquors brought within their boundaries.

Naturalization law amended increasing the fees for complete naturalization from \$5 to \$10 and providing for additional clerks of courts authorized to grant naturalization.

**Treaties Ratified by Senate This Session.**

Eleven Hague conventions—rights of neutrals, laws of war on land, hospital ships, naval bombardments, rights of capture in naval war, restriction of submarine mines, prohibiting discharge of projectiles and explosives from balloons, pacific settlement international controversies, limiting employment of force for collection of contractual debts, governing opening of hostilities and adapting Geneva convention to maritime warfare.

Establishment of international health office.

Pan-American copyright and code of international law.

Twelve arbitration conventions—Denmark, France, Great Britain, Italy, Japan, Mexico, Netherlands, Norway, Portugal, Spain, Sweden and Switzerland.

With Great Britain—Canadian boundary, Canadian fisheries, wreckage and salvage and conveyance of prisoners in United States and Canadian territory.

Extradition with Spain, San Marino and Portugal and Uruguay.

Protection of trade-marks in China and Korea with Japan.

Naturalization with Peru, Portugal and Salvador.

**Treaties Considered but Not Ratified.**

Three Hague conventions—creation of international prize court, affecting status of merchant ships at outbreak of war and conversion of merchant ships into warships. Disapproved by committee.

Wireless convention—international treaty defining duties of wireless telegraph companies, etc.

**Presidential Messages.**

The President sent to Congress twenty messages, including nine transmitting reports of federal officers, in response to resolutions, etc. Eleven special messages recommended general or special legislation. The most important executive communications were the annual message of December 3, 1907, and special messages, as follows:

December 21, asking continuance of Biological Survey.

January 6, urging that additional census employees be subject to Civil Service regulations.

January 28, urging pensions, etc., for life-saving service.

March 25, urging general legislation.

April 14, urging authorization of four battle ships.

April 27, urging general legislation.

The President also sent to Congress one veto message, in which he disapproved a bill granting an extension of time to a company previously authorized to dam the Rainy River, in Minnesota, but, with his consent, it was later passed over his veto.

**Detailed Appropriations This Session for Fiscal Year ending June 30, 1908.**

Agriculture . . . .	\$11,672,106 00	Pension . . . . .	\$163,053,000 00
Army . . . . .	95,382,247 61	Post-Office . . . . .	222,962,392 00
Diplomatic and Consular . . . . .	3,577,463 91	Sundry civil . . . . .	112,937,313 22
District of Columbia . . . . .	10,117,668 85	Urgent deficiency . . . . .	24,050,125 48
Fortification . . . . .	9,317,145 00	Additional urgent deficiency . . . . .	2,163,000 00
Indian . . . . .	9,253,347 87	General deficiency . . . . .	30,782,848 17
Legislative, etc., . . . . .	32,833,821 00	Minor miscellaneous . . . . .	3,000,000 00
Military Academy . . . . .	845,634 87	Permanent annual . . . . .	154,194,295 12
Navy . . . . .	122,662,485 47		
		Total . . . . .	1,008,804,894 57

**The Record of Appropriations for Twenty Fiscal Years.**

1909	.....	\$1,008,804,894	57	1899	.....	\$862,682,487	06
1908	.....	967,644,065	05	1898	.....	485,002,044	72
1907	.....	879,589,185	16	1897	.....	469,494,010	41
1906	.....	820,184,634	86	1896	.....	457,088,344	72
1905	.....	781,172,375	18	1895	.....	459,925,178	62
1904	.....	736,578,402	76	1894	.....	479,932,667	08
1903	.....	796,633,864	79	1893	.....	463,684,385	20
1902	.....	757,607,464	72	1892	.....	514,424,019	49
1901	.....	719,278,826	89	1891	.....	509,368,345	86
1900	.....	690,667,188	54	1890	.....	385,522,367	61

**INCREASE OF OFFICES DURING THE PAST YEAR.****Chiefly Postal Clerks to enlarge the Mail Service, and Seamen in the Navy to Equip New Vessels.**

The Democratic platform of 1908 says: "During the past year 23,784 office holders were added, costing \$16,156,000."

An official statement prepared and issued by the clerks of the House and Senate appropriation committees, showing the appropriations, new offices, etc., of the 60th Congress, states the number of new offices specifically created 16,824, and those omitted, 6,142, *making the net increase 10,682*. The total of salaries for the new offices above named is given at \$13,766,376, and that of those omitted \$4,678,389, making the net increase in salaries for offices specifically created, \$9,087,987. In addition there was appropriated for new offices in which the number and salary of each was not named a sum of \$2,948,687, and omitted in this class a sum of \$319,984, making the net increase in this group \$2,628,703, and the net total of increase for all salaries \$11,716,690 instead of the \$16,156,000 named in the Democratic platform.

The principal net increase in number of "new offices" was as follows: 6,000 seamen in the navy at \$36.60 per month, 3,363 postal employees, chiefly at salaries ranging from \$100 per month downward, and 809 additions to the marine corps. All of these increases were supported by Democrats and Republicans, irrespective of party.

Another "increase in salaries" which will doubtless be exploited by the same class of fault finders, is the advance in salaries of 129,928 existing offices at an increased annual expense of \$9,146,575. The principal items in this increase are as follows: 49,277 private soldiers in the army, pay increased \$2.00 per month; 36,000 seamen, pay increased \$3.60 per month; 7,169 privates in the marine corps, pay increased \$2.00 per month; 2,500 apprenticed seamen, pay increased \$1.60 per month, the remainder of the increase being in most cases non-commissioned officers in Army and Navy, and the rate of increase small.

**National Expenditures, Though Growing Rapidly, do not Keep Pace With the Increasing National Wealth—So the Burden of the National Government Becomes Smaller and Smaller with the Passing of the Decades.**

[Statement of Census Bureau, printed in daily Congressional Record May 30, 1908, as a part of speech of Hon. James A. Tawney.]

The average annual per capita expenditure of the National Government payable from taxes for eight years 1846 to 1853 was \$2.02; for the eight years ending June 30, 1905, it was \$6.65; and for the year ending June 30, 1907, \$6.77. The average for the eight years 1898 to 1905 was 3.29 times, and that for 1907 was 3.35 times, the corresponding average for the period 1846 to 1853. To the extent represented by these numbers did the expenditures payable from taxes increase faster than population.

The per capita of national taxable wealth was \$308 in 1850 and \$1,234 in 1904. In the latter year it was four times what it was in 1850, indicating that the relative ability of the nation to pay taxes had increased in fifty-four years four times, while the national expenditures payable from taxes had increased in the fifty-seven years ending in 1907 only 3.35 times. The national wealth, or the ability to meet governmental expenditures, increased at least 20 and possibly 25 per cent more than did the national expenditures to be met from taxation. Considering

the number of people in the country to be taxed, the present National Administration makes the Government 3.35 times as costly to the taxpayer as did the Government of 1846 to 1853. But taking account of the wealth of the citizens or their ability to support the Government, the Administration of the United States in 1907 was only 75 or 80 per cent as burdensome as that which controlled the country at the middle of the last century.

The following table presents the actual expenditures of the Federal Government by decades, from 1850 to 1907, a period of fifty-seven years, and the amount which such expenditures represents per \$1,000 of national wealth as compiled at the various census periods mentioned. The proportion per \$1,000 of national wealth of the taxes levied to meet the expenditure, including schools, for government other than Federal, from 1860 to 1902, and the grand total of expenditure for government, exclusive of Federal, compiled only at the Eleventh and Twelfth Censuses, are also presented.

*Total national wealth and expenditures of the Federal Government and of State, county, municipal, and all local governments, per \$1,000 of wealth, 1860 to 1907.*

Year.	Total national wealth.	Total expenditures of National Government (taxable.)		Tax levy for expenditures for States, counties, cities, minor civil divisions, including schools.		Payment for expenditures for States, counties, cities, minor civil divisions, including schools.	
		Amount.	Per \$1,000 of national wealth.	Amount	Per \$1,000 of national wealth.	Amount.	Per \$1,000 of national wealth.
1850	\$7,135,780,228	\$46,448,368	\$6.5				
1860	16,159,616,068	71,718,943	4.4	\$94,186,746	\$5.8		
1870	24,054,814,806	313,429,226	13.2	226,185,629	9.4		
1880	41,067,122,000	298,163,117	7.3	313,921,474	7.6		
1890	61,203,755,972	358,618,585	5.9	471,365,140	7.7	\$569,252,634	\$9.3
1900	82,304,517,845	590,068,371	7.2				
1902	91,238,732,842	593,038,905	6.5	724,736,539	7.9	1,156,447,085	12.8
1904	100,272,947,840	725,984,946	7.2				
1907	113,749,270,337	762,488,752	6.7				

a Estimated on basis of increase 1900-1904.

The expenditures of the National Government payable from taxation may be compared with the general property taxes levied for the support of State and municipal governments. The tax levies for State and municipal governments were ascertained by the Bureau of the Census for 1880, 1890, and 1902. For 1880 the per capita of such levies was \$6.26, and in 1902, \$9.22. In twenty-two years it increased 47.3 per cent. The per capita of national expenditures payable from taxation in 1880 was \$5.28, and in 1902, \$5.91, and in 1907, \$6.77. The percentage of increase from 1880 to 1902 was 12, and from 1880 to 1907, only 28.2. The former was only a fourth and the latter barely 60 per cent of the corresponding percentage of increase of State and local taxation for twenty-two years. State and local taxation is increasing proportionately with national wealth and the ability of the people to meet the added costs of local government, while national expenditures—though growing rapidly—do not keep pace with the increasing national wealth; and so the burden of National Government becomes smaller and smaller with the passing of the decades—at least, that has been the general trend of affairs since the middle of the nineteenth century, in spite of the cost of the civil war with its legacy of heavy interest and pension charges.

#### THE WOOD PULP AND PAPER INVESTIGATION.

The following are extracts from the report of the House Committee appointed to inquire into the complaint that prices of news-print paper had been arbitrarily and unjustly advanced by a trust or combination:

The select committee of the House appointed to inquire into the elements and conditions involved in the production and supply of wood pulp and print paper in so far as the same are or may be affected by any combination or conspiracy to control, regulate, monopolize, or restrain interstate or foreign commerce and trade in the manufacture, supply, distribution, or sale of wood pulp or paper of any kind, or any of the articles entering into the same, or any of the products of paper, and how far the same may be affected by the import duties upon wood pulp or paper of any kind, and how far the same may be affected by the rapid destruction of the forests of the United States and consequent increase in the price of wood which enters into the manufacture of wood pulp, and also to inquire whether the present prices of print and other paper are controlled in whole or in part by any combination of persons or corporations engaged in commerce among the several States or with foreign nations, and



if so, to inquire into the organization, methods, and practices of such corporations or persons, and also to inquire into certain alleged facts and to obtain all possible information in regard to the same, beg leave to submit a partial and preliminary report and to say that since its appointment the committee has been diligent in making its investigation, and the members of the committee have devoted practically their entire time since appointment to the work of the committee, neglecting their other official duties for that purpose.

The committee listened with interest, attention, and care from April 25 to May 14 to the witnesses appearing in behalf of the contentions of the American Newspaper Publishers' Association, and followed with painstaking care the statements made and evidence presented by Mr. John Norris, who appeared as the special representative of that association. Every opportunity has been given to newspaper publishers to present evidence before the committee, though not all of the publishers who offered to appear or whom the committee would like to hear have yet been examined.

In addition to the testimony presented before the committee, your committee sent out, May 6, 7,000 letters to various newspapers and other publications throughout the country.

### Contention of Publishers.

It has been the contention of the newspaper publishing interests—

First. That the price of news-print paper was advanced in September, 1907, to \$50 per ton in New York and correspondingly elsewhere, a figure that was claimed to be \$12 per ton in advance of the price of two years previous, and that a still further advance was threatened of \$10 per ton more, thereby planning, as claimed, an advance of \$22 per ton.

Second. That the advance actually made and the planning of a further advance were both the result of a combination or conspiracy entered into by the news-print paper manufacturers or their selling agents.

Third. That such advance in price and such combination to make further advance were caused, or at least in part aided, by the tariff duties imposed on wood pulp and print paper, and hence that, in justice to the newspapers and other printing and publishing interests of the country, the duties on pulp and paper should be repealed.

Fourth. That the decree of the United States court dissolving the General Paper Company had been willfully violated by paper manufacturers in Michigan, Wisconsin, and Minnesota, parties to that decree, who had in violation of the decree acted in concert and agreed as to prices and to the imposition of conditions upon the manufacture, sale, and distribution of the paper manufactured.

The above may not completely state the contention of the newspaper publishers, but it gives a general and fair idea of their claims.

One of the inquiries submitted to your committee was to the effect of the destruction of the forests of the United States upon the production, supply, and price of wood pulp and print paper.

It appears that the average price received by the International Paper Company for paper delivered was, in 1900, \$2.06; in 1901, \$2.12; in 1902, \$2.07; in 1903, \$2.14; in 1904, \$2.12; in 1905, \$2.07; in 1906, \$1.99; in 1907, \$2.05, and for the first three months of the current year, \$2.20 per hundred pounds.

The average selling price of the St. Regis Paper Company per hundred pounds of news-print paper f. o. b. mill for January, 1903, was \$1.75; January, 1904, \$1.75; January, 1905, \$1.74; January, 1906, \$1.47; January, 1907, \$1.75; January, 1908, \$2.13. The evidence shows that at this mill, while the selling price f. o. b. mill had increased from \$1.75 in January, 1903, to \$2.13 in January, 1908, the cost of production, excluding interest and depreciation, had increased from \$1.30 in January, 1903, to \$1.61 in January, 1908, and that in January, 1906, while the average selling price was \$1.47 the average production cost was \$1.54.

### Combination in Restraint of Trade.

The evidence before the committee so far fails to prove any combination of print-paper manufacturers to advance prices or otherwise in restraint of trade, but considerable evidence was presented which might excite suspicion that such a combination had been made and was in existence. Evidence was presented in relation to a combination of manila and fiber manufacturers, and it seems to be admitted that that combination did exist, has since been dissolved with a fall in the price of its products, and is now under investigation through the Department of Justice in the United States court at New York.

Such of the paper manufacturers as have appeared before your committee during its hearings have strenuously and completely denied under oath the existence of any combination, agreement, or understanding of any nature whatever among the paper manufacturers or their selling agents to regulate, control, or advance the price of paper, the assignment of customers, or for any other purpose in restraint of trade.

### Increased Cost of Production.

The mill owners insist that there has been a decided increase in the cost of producing paper, caused—

First. By the increase in the cost of pulp wood and wood pulp.

Second. By increase in the wages of the employees.

Third. By reduction of the hours of labor per employee per day.

Fourth. By the increase in the cost of other articles which enter into the production of paper.

**Increased Cost of Wood Pulp.**

There seems to have been a decided increase in the cost of pulp wood. This is admitted by everyone. The average cost to the International Paper Company of pulp wood in the rough per cord, delivered at the mill, from 1898 to 1908 is stated to us as follows:

1898.....	\$5.33	1904.....	\$7.49
1899.....	5.26	1905.....	7.79
1900.....	6.07	1906.....	8.00
1901.....	6.43	1907.....	8.54
1902.....	6.83	1908 (first three months)....	10.14
1903.....	6.77		

The average cost to the Northwest Paper Company, at Cloquet, Minn., for pulp wood per cord, in the rough, 8-foot lengths:

1902.....	\$3.15	1905.....	\$4.10
1903.....	3.40	1906.....	5.15
1904.....	3.60	1907.....	7.40

There seems to have been a considerable increase in the average weekly wage of the employees in the paper and pulp mills. This increase has not been greater than seems to your committee to have been necessary, owing to the increased cost of living, and the wages now paid in the paper and pulp mills would not be generally considered high as compared with other skilled labor, though this may be largely owing to the fact that the mills are generally located on streams apart from large centers of population.

**Some Increase in the Price of Paper Justified.**

It would appear that the increase in the value and cost of pulp wood, the increase in wages, the decrease in the hours of labor of many of the employees, and the increase in the cost of other materials used, justified some increase in the price of paper over the prices previously prevailing, notwithstanding some economies perfected in the production of pulp and paper. The International Paper Company is the largest producer of news-print paper in the United States, and produces from 30 to 40 per cent of the entire output.

The evidence shows that the net earnings of that company for the fiscal year ending June 30, 1901, were \$3,054,000; that the average net earnings of the company for the fiscal years from 1899 to 1905, inclusive, were \$2,316,000; that for the fiscal year ending June 30, 1906, the net earnings fell off to \$1,985,000, and for the fiscal year ending June 30, 1907, to \$1,623,000 and for the first six months of the calendar year 1907, to \$777,000; that about the middle of the calendar year 1907 the manufacturing department of the said company submitted reports, showing an estimated increased cost of production for the calendar year of 1908 of \$1,500,000 over that for the fiscal year ending June 30, 1907, based on the same quantity of paper.

**Canadian Competition.**

The principal competition with the news-print paper and pulp mills of the United States comes from the Canadian mills. From Canada we import a large and rapidly increasing amount of pulp wood. We also import a considerable quantity of wood pulp and are now importing some quantity of news-print paper.

**Exportations from Canada.**

Some of the provincial governments in Canada now discriminate against pulp wood for exportation. It is said that most of the forests in the Provinces of Quebec and Ontario suitable for pulp wood are public, or Crown lands belonging to the provincial governments. The Province of Quebec makes a license or stumpage charge of 65 cents for each cord of pulp wood cut on its Crown lands, with a reduction or rebate of 25 cents for each cord manufactured into pulp within the Dominion of Canada.

This amounts to an export charge of 25 cents per cord, or nearly 40 per cent of the original license or stumpage charge. It is from the Province of Quebec that most of the pulp wood now imported into the United States is obtained. Wisconsin and other western paper and pulp mills could much more cheaply obtain wood pulp from the Province of Ontario than from Quebec, but the Province of Ontario absolutely prohibits the exportation from Canada of any pulp wood cut on its public lands, though permitting such cutting for manufacture at home.

The committee is firmly of the opinion that the tariff on news-print paper and on wood pulp should not be removed as to paper or pulp coming from any country or place which prohibits the exportation of pulp wood, or which levies any export duty on paper, pulp, or pulp wood, or makes any higher charge in any way upon wood pulp or pulp wood intended for exportation to the United States.

The evidence taken so far would seem to indicate that the temporary suspension or entire removal of the present tariff would not have any great immediate effect, and if the tariff is removed at any time it should be coupled with the right to free exportation of pulp wood from the Canadian forests. The removal of the tariff on print paper and wood pulp, if followed by an export duty on pulp wood coming from Canada, would probably result in a considerable increase in the price of print paper and the early destruction of the pulp wood forests in the United States.

A low or even moderate price for print paper in the future is dependent mainly upon the future supply and cost of pulp wood. About one-third of the pulp wood now consumed in the manufacture of paper by our mills is imported from Canada. If an export duty should be levied by Canada upon the exportation of pulp wood, or if the Province of Quebec should follow the example of the Province of Ontario and entirely pro-



hibit the exportation of pulp wood cut on its Crown lands, the cost of pulp wood in the United States would be greatly enhanced and the price of paper would go up.

A mistaken policy might easily prove of inestimable damage and cause the practical destruction of the cheap daily newspaper.

It would seem that for the American publisher to be assured of low prices for his paper, it is essential to maintain paper mills in the United States. Any policy that would give the Canadian mills a preferential advantage over American mills in obtaining the raw material at a lower price must inevitably result in the dismantling of American paper machines and the ultimate dependence of American publishers on Canadian mills. Under such conditions Canada could levy export duties on print paper that would result in enhanced prices without the presence of competition from American paper manufacturers.

So far as the information yet presented to the committee discloses the facts, your committee is inclined to the opinion that if the American mills can obtain pulp wood from Canada on even terms with the Canadian mills, they can make ground wood pulp as cheaply as it can be imported from Canada free of any duty. What effect the removal of the tariff upon paper would have as to Norwegian and other European competition, your committee is, at present unable to say, though it has been claimed before your committee that the wages paid in European countries are only one-third to one-half of the wages paid in the mills of the United States, and that under free trade competition the low wages in the European countries would be disastrous to the wage scale and the hour scale in the American paper mills.

Your committee proposes during the summer vacation to continue its investigation and expects to be able to present to the House at the next session of Congress definite recommendations, based upon complete information thoroughly considered, as to the various matters of inquiry submitted to the committee.

What I am anxious to emphasize is that there is a wide economic and business field in which the interests of the wealthiest capitalist and the humblest laborer are exactly the same.—Hon. Wm. H. Taft, at Cooper Union, New York City

The tariff affects trusts only as it affects all other interests. It makes all these interests, large or small, profitable; and its benefits can be taken from the large only under penalty of taking them from the small also.—President Roosevelt at Minneapolis, Minn., April 7, 1903.

It is greatly in the interest of the workingman, therefore, that corporate capital should be fairly treated. Any injustice done to it acts directly upon the wage-earners, who must look to corporate wealth for their employment.—Hon. Wm. H. Taft, at Cooper Union, New York City.

Our aim should be to preserve the policy of a protective tariff, in which the nation as a whole has acquiesced, and yet wherever and whenever necessary to change the duties in particular paragraphs or schedules as matters of legislative detail if such change is demanded by the interests of the nation as a whole.—President Roosevelt at Minneapolis, Minn., April 4, 1903.

The effect of the organization of labor, on the whole, has been highly beneficial in securing better terms of employment for the whole laboring community. I have not the slightest doubt, and no one who knows anything about the subject can doubt, that the existence of labor unions steadies wages.—Hon. Wm. H. Taft, at Cooper Union, New York City.

\* \* Because there are men prominent in the business world who are forgetful of the privileges granted them, and of their relations to their fellows, there is no occasion for indiscriminate condemnation.—Postmaster-General Cortelyou, to Young Men's Republican Club, at Grand Rapids, Mich., Feb. 12, 1906.

The Republican party is not only rich in men, but rich in practical and beneficent principles—it is rich too in its record, in promises performed and pledges fulfilled, and so we are for party and party principles first and will acquiesce in the choice of the majority, rallying around the standard bearer who will carry us again to victory.—Hon. James S. Sherman.

All the prosperity enjoyed by the American people—absolutely all the prosperity, without any reservation whatever—from the foundation of the United States Government down to the present time, has been under the reign of protective principles; and all the hard times suffered by the American people in the same period have been preceded either by a heavy reduction of duties on imports or by insufficient protection, thus refuting all free-trade theories on the subject. As I desire my native land to be on the apex of prosperity, rather than under the heel of hard times, I am a protectionist.—David H. Mason, in the American Economist.



# DEPARTMENT OF STATE.

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## **Work of the Department of State, 1897-1908.**

Within the last ten years the United States has assumed far greater power and significance among the countries of the world. There has been a great increase in the number of our people who travel abroad, and an enormous increase in the number of people of other countries who are annually coming here. Our citizens are going to other countries and are investing their money there. In Latin America alone there is invested over a billion dollars of American money. The United States has today many new and significant points of contact with the world that were unknown or at least unimportant a few years ago. All these changed conditions and closer relations with other countries and peoples throw upon the Department of State an enormous amount of work. It is no exaggeration to say that the work of that Department today is at least eight times as great as it was ten years ago.

Consideration of the series of important events in the Orient, the open door policy in China, the insistence upon Chinese territorial and administrative entity during the Boxer trouble, the settlement of the Panama Canal question, the growth in the authority and recognition of the Monroe Doctrine after Mr. Hay became Secretary of State, the expansion of foreign markets for American goods, Secretary Root's efficient support and emphatic insistence upon the application of the principle of international arbitration in a practical way to disputes between nations, the great improvement brought about by him in the diplomatic and consular service, and the closer relations between the United States and Latin America, will show in what directions have been our greatest activities and achievements in the world of diplomacy, and what they are likely to be in the immediate future. No period in the history of the nation has been richer in diplomatic triumphs of an important and far-reaching character than the last ten years.

## **Settlement of Large Claims of American Citizens against Foreign Governments.**

During the administration of Presidents McKinley and Roosevelt there were collected and settled through the Department of State and its representatives abroad claims of American citizens against foreign governments amounting in the aggregate to the enormous sum of \$27,546,892.28. This record illustrates and marks one of the greatest practical achievements of our diplomacy.

Equal in importance with the practical pecuniary triumph and of the vast sum of money gained through the medium of pacific adjustment for American claimants was the great gain in international good feeling due to the settlement of the many disputes of long standing growing out of these claims.

## **Many Important Treaties Made.**

The record of the Department of State in the matter of treaty making during the last ten years is a noteworthy one. The treaties range in subject from the settlement of claims of private citizens to the control and construction of the Panama Canal and the settlement of the fisheries controversy with Great Britain, which has extended over nearly a century.

Among the more important of these compacts are those providing for the extradition of fugitives from justice, the list including conventions with Belgium, Bolivia, Brazil, Chile, Denmark, Great Britain (a supplementary treaty extending the catalogue of extraditable crimes), Guatemala, Mexico (with which

power also a supplemental agreement was concluded adding bribery to the list of extraditable crimes), Peru, Servia, Switzerland, and the Netherlands.

This series of treaties, together with the extradition convention preceding it and with pending negotiations, closes the doors of almost all the civilized nations of the world against fugitives from justice of the United States.

Other treaties of marked importance are the peace protocol and peace treaty with Spain, of August and December, 1898, respectively; the cession of outlying islands of the Philippines; the real and personal property convention with Great Britain, providing for the holding and disposition of real and personal property of aliens by will and deed on a liberal basis; a treaty with Guatemala to the same effect; trade-mark conventions with Japan and Guatemala, securing equal protection with that afforded native subjects and citizens; a temporary arrangement of the disputed Alaskan boundary question in October, 1899; the appointment of a joint commission to consider for settlement questions at issue between the United States and Great Britain respecting Canada; the adhesion of the United States to the additional articles to the Red Cross convention; the articles concerning naval warfare—a great humanitarian gain; the adhesion of this Government to the International Convention of Brussels of 1899, for the regulation of the importation of spirituous liquors into Africa; the canal protocols of December 1, 1900, with Costa Rica and Nicaragua, providing a means of agreement for the construction and control of an inter-oceanic canal by the Nicaragua route. From 1898 to 1900 reciprocal commercial arrangements were entered into with France, Germany, Italy and Portugal, under section 3 of the tariff act of Congress of 1897, and in 1899 the United States participated in and became a party to the Hague Conventions, for arbitration of international disputes, for regulating war on land, for regulating maritime warfare, and the declaration to prohibit for five years the launching of projectiles and explosives from balloons, and other new methods of a similar nature.

During the past ten years numerous claims of private citizens have been settled by special negotiations between our own Government and those against which the claim was preferred, the foreign governments concerned being Guatemala, Haiti, Mexico, Nicaragua, Peru, Salvador, Santo Domingo and Venezuela, while by the treaty of March 24, 1897, the Chilean Claims Convention of August 7, 1892, was revived and additional claims adjusted. It is hardly necessary to add that this Government bore a most material share in the settlement of the international difficulties in China after the Boxer revolutionary movements, culminating in the final protocol of September 7, 1901.

It may be noted here that this Government has recently given evidence of its friendship for China by legislation which authorizes the remission of all punitive damages for the Boxer rebellion of 1900 and the reduction of the indemnity bond, given by China to the United States after that rebellion, from \$24,000,000 to \$13,000,000. This is also an exhibition of that spirit of justice and fair dealing that has characterized the international relations of the United States during the past ten years.

#### **Treaties Negotiated During the Administration of President Roosevelt.**

Among the proclaimed treaties the more important are the Hay-Pauncefote treaty (second) of November, 1901, to facilitate the building of the Panama Canal; the canal treaty with the Republic of Panama; the Alaskan boundary treaty; the Pious Fund arbitration treaty; the treaty of friendship with Spain; the commercial treaty with China and extradition treaties with Belgium, Denmark, Guatemala, Mexico (supplementary), and Servia; the series of arbitration treaties; the treaty for the settlement of the Northeastern Fisheries question; and the German and French commercial agreements, by which threatened tariff wars were averted by mutual concessions made under the authority given to the President in the third section of the Ding-



ley Tariff Act. The supplementary extradition treaty with Mexico is specially noteworthy as providing for the extradition of bribe givers and bribe takers, the crime of bribery being thus added to the existing list of extraditable offenses.

The Hay-Pauncefote treaty (of November 18, 1901) by repealing, or rather by superseding, the Clayton-Bulwer treaty (of April 19, 1850) cleared the way for direct negotiations for the construction of an interoceanic canal. Immediate advantage was taken of this fact and the Hay-Herran canal treaty was concluded January 22, 1903, but subsequently rejected by Colombia.

The Panama treaty (November 18, 1903) followed, and was proclaimed February 25, 1904, assuring the construction of a canal.

The Alaskan boundary convention (January 24, 1903) provided a tribunal by which the last important question at issue between Great Britain and the United States was satisfactorily adjusted almost entirely in accordance with the points claimed by our Government, one of the British members of the tribunal participating in the decision so largely in accordance with our contention.

The treaty with Mexico for the arbitration of the Pious Fund claim is distinguished not only as providing for the settlement of an important question long open, but also as submitting the first international case to the Permanent Court of Arbitration at The Hague. By a later international agreement this Government participated in a convention for the submission to the same tribunal of the question of preferential treatment of recent claims against Venezuela.

In addition to the commercial treaty with Cuba, by which preferential benefits are secured to both contracting governments, an agreement providing naval and coaling stations for ships of the United States has been concluded and proclaimed, as well as two others—one respecting the status of the Isle of Pines, and the other defining our relations with Cuba.

The commercial treaty with China contains several very important provisions, besides a satisfactory tariff schedule. The Likin tax (the collection of a tax on goods in transit within the Empire) is abolished; revision of Chinese mining regulations is secured; protection in the use of trade marks and ownership of patents is stipulated; a uniform national Chinese coinage is projected; but more important than all, two new ports are opened to foreign trade in China, namely, Mukden and Antung, in Manchuria, with the result not only of strengthening American policy of the open door, but also that of maintaining Chinese jurisdiction in the territory, and tending to the integrity of China.

Three agreements with Spain have been perfected, that of July 3, 1902, reestablishing friendly relations and containing the provisions general in treaties of friendship—trade, residence, property and testamentary rights, diplomatic and consular privileges, etc. Another (January to November, 1902), by exchange of diplomatic notes, restores the international copyright agreements; while another, earlier (August to November, 1901), by exchange of notes and a joint declaration, facilitates the exchange of letters rogatory between Porto Rico, the Philippine Islands and Spain.

Other treaties are, a consular convention with Greece (November, 1902); a trade-mark agreement with Germany for Morocco; the reciprocal commercial agreement with France (August 20, 1902) under section 3 of the existing tariff act; treaties for the settlement of claims with Venezuela, the Dominican Republic, Salvador, and Brazil; naturalization with Haiti; import duties and light and harbor dues in Zanzibar; treaties with Luxemburg and Roumania for the protection of trade marks; extradition treaties with Cuba, Panama, Haiti, Denmark, Japan, Great Britain, Nicaragua; a copyright treaty with Japan; a treaty with Great Britain for surveying and marking the Alaskan Boundary; conventions with Mexico for an equitable distribution of the waters of the Rio Grande; conventions for the amelioration of the wounded in armies in the



field and for the exemption of hospital ships in time of war from payment of harbor dues; a treaty for the establishment of an international Institute of Agriculture at Rome; treaties of arbitration with France and other powers.

### **Work in the Interest of International Peace.**

Upon the initiative and through the mediation and powerful influence of President Roosevelt the Envoys of Russia and Japan were brought together on the 5th of August, 1905, on the neutral and friendly territory of the United States and the war between the two nations—the greatest war of modern times—was brought to an end by the treaty of peace signed at Portsmouth on the 5th of September, 1905.

When the dispute between Germany and France regarding the right of control in Morocco threatened to involve all Europe in war, and a conference was called at Algeciras on January 16, 1906, to consider the various questions, the active influence which its own disinterested position enabled the United States to exercise, both directly and through its representative at the conference, played a great part in bringing about the peaceful solution reached on April 7, 1906, after a session of three months. The German Minister for Foreign Affairs testified in the Reichstag to the work of the representative of the United States at that conference in the following words:

"I wish to avail myself of this opportunity to declare that we have reason to be grateful to America for its attitude at the conference. \* \* \* It maintained its neutral position throughout, but its distinguished and highly respected representative, Mr. White, omitted no opportunity to remove difficulties and to aid toward an agreement which should be satisfying to all the parties in interest. That was a great service which America rendered to the peace of the world, because the failure of the conference of Algeciras would not only have broken the relations between Germany and France, but would have disturbed the general political situation of the world. \* \* \* This was the second great service which America rendered to the peace of the world, the first being the reestablishment of peace between Japan and Russia."

The United States and Mexico have been cooperating to bring about better conditions which would put an end to all discord and restore peace and prosperity in Central America. At the instance of the United States and Mexico a Peace Conference of all the five Central American countries was held in Washington in November and December, 1907, and at this conference, which was attended by representatives of the United States and Mexico, a series of treaties was made of the greatest practical importance, among them being a treaty which provided for a permanent international court for the trial and decision of all questions whatever arising between Central American countries. This court has just been inaugurated in Costa Rica. A long step has been taken in the direction of prosperity and peace in Central America and the United States has won the gratitude which is freely expressed by the good and peaceful citizens of all those countries.

### **International Arbitration.**

The administrations of McKinley and Roosevelt have been distinguished by the efforts put forth to promote peace among the nations and alleviate the evils of war.

President McKinley was active in seeking to have incorporated into international law the principle so long advocated by our country of the exemption of private property on the sea from seizure during war, a measure so greatly desired in the interest of maritime commerce. He instructed our delegates to the Hague Peace Conference in 1899 to urge this principle, and when the conference decided that it had no jurisdiction over the subject he asked Congress to authorize him to bring about an international conference for the consideration of this subject, and President Roosevelt has renewed the recommendation to Congress.

The United States was among the first of the Powers to respond favorably to the request of the Emperor of Russia in 1898 for a peace conference. One of the few practical results of that conference was the arbitration convention, which was brought

about mainly by the efforts of the American delegates. President McKinley had the honor of sending to the Permanent Arbitration Court established by that convention the first case ever submitted to it.

A notable opportunity was presented to President Roosevelt in 1903 to show his faith in international arbitration and in the efficacy of The Hague court. He was called upon by Great Britain, France, and Italy to arbitrate their differences with Venezuela, a distinguished mark of confidence in his ability and impartiality. But he declined the honor and referred the warring powers to the Permanent Arbitration Tribunal as the proper place to adjust their controversy.

The delegates of the United States to the Pan-American Conference of the American Republics, which met in the City of Mexico in 1901-2, were prominent in the adoption of a number of conventions and agreements for the better regulation of the commerce and intercourse of the American states, and among these was a convention for the settlement by arbitration of claims not susceptible of diplomatic arrangement.

But while President Roosevelt has committed himself so heartily to international arbitration, he recognizes that there are some political questions which may not be proper to submit to such an adjustment. The Alaskan boundary had in recent years become a matter of serious controversy, and stood as an obstacle to the maintenance of peaceful relations with Canada. In view of our long and undisputed occupation of the territory in question the President declined to allow the reference of the controversy to The Hague court, but instead he proposed the creation of a judicial tribunal of an equal number of members from each country, feeling confident that our claim would be established by such a body. Against much opposition and prediction of failure such a tribunal was created, and its decision has happily confirmed the wisdom of the President's action, peacefully settled this irritating controversy, and restored good relations with our northern neighbors. It has proved one of the most notable diplomatic triumphs of our Government.

With the active participation of the delegates of the United States, the Second International Peace Conference at The Hague in the summer of 1907 entered into agreements which constitute one of the greatest advances ever made towards the reasonable and peaceable regulation of international conduct. Twelve treaties agreed upon at that Conference, all designed for reducing the probability or mitigating the horrors of war, have been approved by the Senate and ratified by the President of the United States. Important among these treaties was the agreement proposed and urged upon the Conference by the United States, under which all the civilized powers agree not to use force for the collection of contract debts claimed by their citizens against other countries, so long as the alleged debtor seeks the protection of arbitration as to the justice and the amount of the debt or time and mode in which it ought to be paid.

Following the action of The Hague Convention in providing greater facilities for the use of the Permanent Court of Arbitration at The Hague, the United States has concluded general treaties of arbitration with England, France, Spain, Portugal, the Netherlands, Denmark, Sweden, Norway, Switzerland, Italy, Mexico, and Japan, while many other similar treaties are in course of negotiation. Under the general treaty with Great Britain the two countries have agreed to arbitrate before The Hague Tribunal the difficult and vexatious questions which for more than a century have caused so much ill-will and controversy regarding the rights of our fishermen in the fisheries on the coasts of Newfoundland and the maritime Provinces of Canada.

Negotiations for the settlement of the various controversies with Canada have been undertaken and great progress toward the complete settlement of the controversies has been made. The Surveyors appointed by the two countries have nearly completed the marking of the boundary of Alaska in accordance with the decision of the Tribunal of 1903. a new treaty has been made for the adjustment of all other questions relating to the



determination of the boundary from the Atlantic to the Pacific, the Northeastern fisheries question is about to be disposed of by an agreement for arbitration under the general treaty, a new treaty has been made for the making and enforcement of joint regulations for the preservation of the food-fish supply in all the boundary waters, including both the Great Lakes and the Atlantic and Pacific waters, and a treaty has been made giving reciprocal rights for the conveyance of prisoners across each other's territory and the rights of wrecking and salvage in each other's waters.

The questions between Japan and the United States which caused so much public excitement in 1907 have been disposed of to the satisfaction of the people of both countries. The San Francisco school question has been settled pursuant to an understanding with the San Francisco School Board; the immigration of Japanese laborers is being regulated by the concurrent action of the President, under authority conferred upon him for that purpose by the Congress, and of the Japanese Government. The friendship and sympathy between the two Governments have now been signalized by the general treaty of arbitration concluded between them; by treaties for the protection of copyrights and trade-marks in China and Korea; by the invitation and acceptance of the invitation for the visit of our fleet to Tokyo and by the response of the United States to the invitation of Japan to participate in the great exposition which is to be held at Tokyo in 1912, for which Congress has authorized the expenditure of one million and a half of dollars, the greatest sum ever appropriated for a foreign exposition.

The United States has secured the assent of all the nations having possessions in the Orient to a united effort with China to put an end to the curse of opium in the Orient and an international conference under the leadership of the United States has been agreed upon to meet at Shanghai on the first of next January for the purpose of devising and formulating an international agreement to prevent the production, sale, and use of opium.

#### **Visit of the Secretary of State to South America and Mexico.**

In August, 1906, the participation of the United States in the Pan-American Conference at Rio de Janeiro and the visit of Secretary Root to that Conference and to all the principal maritime countries of South America put an end to the suspicion and distrust with which the growing power of the United States was regarded by the Latin-American races, and began a new era of friendship and sympathy between all the American Republics. This has been followed and added to by the Secretary's visit to Mexico as the guest of the Mexican Republic of October, 1907, and by the visit of the American fleet to the chief maritime republics of South America, and by the enlarged and great development of the work of the International Bureau of the American Republics for the dissemination of knowledge and the cultivation of trade and friendly relations between the different American countries, for which all the Republics are uniting in the construction of a splendid building in the City of Washington.

#### **Restoration of Peace in Santo Domingo and in Cuba.**

For many years Santo Domingo has been the scene of a series of revolutions which devastated the country, crushed out all progress, and left the Treasury in utter bankruptcy, with a host of insistent creditors, both foreign and domestic. In the face of imminent likelihood of another revolution and foreign intervention a treaty was concluded between the United States and Santo Domingo, with the approval of the United States Senate, under which, by the appointment of an American agent to collect Dominican customs revenues and apply the surplus toward the payment of the Dominican debts, complete peace has been maintained for four years past, the commerce and industry of the island have revived, the revenues have doubled and the nominal indebtedness of over \$40,000,000 has been adjusted



and settled at less than \$20,000,000, for which interest and sinking fund payments are completely assured by the revenues resulting from the new prosperity. The republic's credit has been established on a higher plane, works of internal improvement undertaken, and civil quiet and adequate revenues for the maintenance of the government assured and danger of foreign intervention removed.

In the summer of 1906, an impending civil war in Cuba led to the intervention of the United States under the wisely devised terms of the Cuban Constitution and American statutes which regulated the relations between the two countries. The opposing forces were induced to lay down their arms and return to their homes, all differences having been adjusted, a new census of the island has been taken and on the basis of that census new and fair elections are being held for the reconstitution of a Cuban Government; and the control of the island is to be restored by the United States to the real choice of the Cuban people during the coming winter.

#### **The Consular Service.**

Among the many notable achievements of the administration of President Roosevelt few have been of more importance to the individual American than the reorganization of the consular service and placing it upon an efficient basis.

The consular officers of no other government have such varied and important duties to perform as have the consular officers of the United States. Of these duties perhaps none are so important as those relating to the protection of American citizens and their interests abroad. Our consuls have displayed unusual ability in discharging these duties. American citizens arrested or subjected to annoyance in foreign countries have, with rare exceptions, found the American consuls energetic and successful in their behalf. In China, Central and South America the consular officers have been called upon to perform delicate and trying duties of a diplomatic character and have discharged those duties with rare tact and ability. They have cared for and sent home the bodies of Americans who have died abroad and have collected and forwarded to legal representatives in this country the property of deceased American citizens in foreign countries.

But perhaps the most significant and valuable work, in a money sense, that has been achieved by the consuls has been in the way of detecting and preventing attempts to defraud the customs. In their investigations of values of merchandise exported to the United States our consuls have shown wonderful skill and industry, and their work in the direction of preventing exporters to the United States from undervaluing their merchandise has resulted in vast increases in the customs dues collected. An approximate idea of the value of this work of our consuls may be formed when it is recalled that the work of one consular officer alone has increased receipts from customs about one million dollars a year since 1898, a total of six million dollars in six years. There are 330 consular officers who are carrying on the same kind of work. They are for the most part equally energetic and efficient, and it is estimated that fully ten million dollars have been saved to the revenues of the United States by the active, intelligent and persistent efforts of our consuls abroad. It is safe to say that this branch of our service alone has saved about ten times its total cost to the Government.

By means of a series of carefully planned instructions the department has secured a degree of cooperation on the part of consuls with Treasury officials that has hitherto been unattained.

The consuls have rendered a great deal of varied and important service to other departments of the Government than the Treasury. Acting under recent instructions our consular officers have been of great assistance to the Navy Department in the apprehension of deserters and stragglers from war vessels and colliers and are in constant communication with men-of-war in local waters, supplying them with much valuable information.

During the war with Spain they rendered invaluable service to the Government of the United States. They formed a series of intelligent observers throughout the world and the information and reports gathered by them were often of the highest value and importance to those directing our military and naval operations.

At the instance of the Secretary of Agriculture and in pursuance of the pure food law of March 3, 1903, the Department of State issued instructions to consuls requiring prompt reports of the shipment of food products to this country. The character of these reports and the promptness of their transmission to the Bureau of Chemistry of the Department of Agriculture have been most gratifying and have to a great degree made possible an intelligent and successful enforcement of the law.

In their work in behalf of our export trade consular officers have shown themselves very efficient. In the introduction to the review of the world's commerce for 1902, it was stated by the chief of the Bureau of Foreign Commerce of the Department of State, that:

"whatever may be the defects of our consular service it is at least showing itself to be generally alert and responsive to the new conditions. \* \* \* The consuls have also been most active in sending reports at frequent intervals on a great variety of subjects of interest to the industrial and commercial world, \* \* \*. A most gratifying evidence of the increasing value of the Consular Reports \* \* \* is found in the widespread demand for them on the part of colleges and schools as reference books in special courses of commercial instruction. \* \* \*. In addition to the published reports, the consuls of late, by means of correspondence conducted under the supervision of the Department of State, have supplied a great mass of information to trade bodies and business firms, and in many cases have voluntarily exerted themselves in other ways to promote commercial expansion. Their efforts frequently elicit warm commendation in letters to the Department from the trade interests thus benefited, and even when a consular officer lacks other qualifications, it seldom happens that he fails to exhibit the characteristic American spirit in 'hustling' for business, not for himself, but for his country."

The activity of the consuls has been greatly stimulated by the prompter publication and wider distribution of their reports. In December, 1897, the department, discarding traditions, began the daily publication of such reports as were of current interest. The result has far exceeded all expectations and has marked a new era in the practical utilization of consular information. Our business men have been warm in their praises for it. One firm wrote the department, "attribute our having nearly doubled our foreign trade during the last three years in great degree to the light we obtained from careful perusal of these reports." A manufacturing firm said respecting the assistance derived from the reports, "the result is to-day from 30 per cent to 35 per cent of our entire product in certain lines of hardware we export."

That this method of distributing commercial information is of great practical value is also shown by the fact that it was promptly imitated in part by both Great Britain and Germany.

Undoubtedly a large part of our commercial progress in recent years is due to the keen business instinct and activity of our consular officers in pointing the way to new markets, and to a great degree is due to them the credit for the enormous increase of our exports from \$886,606,938 in 1896 to \$1,880,851,078 in 1907—over \$994,000,000 in eleven years.

The consular fees collected have increased steadily, amounting for the fiscal year ended June 30, 1906, to \$1,672,802.15. The expenditures for the consular service for the year amounted to \$1,177,635.72, making the net cost of the service only \$504,833.57.

With a view to the improvement of the consular service a law was passed by Congress and approved by the President on April 5, 1906, abolishing unofficial fees, providing all consuls with fixed salary, requiring the appointment of Americans to the more important subordinate positions, and creating a corps of inspectors to inspect each consulate every two years. On June 27, 1906, President Roosevelt issued regulations, in accordance with the laws enacted by Congress, by which the principles of civil service reform have been extended to the consular service by limiting original appointments to the two



lowest grades of the service after examination by a board of which the Chief Examiner of the Civil Service Commission is a member; requiring all the higher posts to be filled by promotion of men from the lower grades on the basis of efficiency alone; and requiring appointments to be made so as to secure proportional representation of all the States and Territories in the service. Young men of high attainments and excellent character are being appointed to the lower ranks of the service, offices are being maintained on a better scale, and in every way the organization has been vastly improved.

Our consulates are on the whole in excellent condition, both as regards the general character of the consuls and their work and their manner of performing it, and it may justly be said that we have reason to congratulate ourselves upon the personnel and efficiency of the consular service. The consular corps, which suffered great demoralization during the period from 1893 to 1897, owing to the violent, ill-judged, and wholesale removals, has been brought to its present state of manifold usefulness, cleanness, and high efficiency during the last ten years. Taken as a whole, it is composed of a higher and better type of men than it has ever before been able to enlist, and it is doing much better and more intelligent work. A few years ago our consular service would hardly have challenged the emulation of other countries. To-day it is regarded by the best authorities abroad as the most efficient organization of its kind in the world for increasing the sale of goods, for stimulating home industry and enterprise, and for informing exporters as to trade conditions in every important market of the globe.

Throughout the recent consular reform movement in England the American consular service was constantly held up as a model of what the British service should be. An English trade journal said: "The United States is ahead of the world in regard to quick consular reports." An eminent German authority on consular matters recently referred to United States consular officers as "inspectors of our exports, and vigilant sentinels who spy out every trade opening or advantage and promptly report on it." They "dive into the economic condition of their districts and obtain information the result of which is discernible in the steadily increasing exportations of their home country." \* \* \* The United States consular officers give their Government better service and better information than any on earth."

Improvements have also been made in the selection of young men for the diplomatic service by requiring them to demonstrate their fitness before a board of examiners. The principle of promotion for efficiency and merit has been consistently applied in the diplomatic service.

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The American system of locating manufactories next to the plow and the pasture has produced a result noticeable by the intelligent portion of all commercial nations.—Grant.

If we have good wages, they are better by being paid in good dollars, and if we have poor wages they are made poorer by being paid in poor dollars.—Maj. McKinley to delegation of workmen, at Canton, 1896.

We have established in the islands a government by Americans assisted by Filipinos. We are steadily striving to transform this into self-government by the Filipinos assisted by Americans.—President Roosevelt's speech accepting 1904 nomination.

We are the trustees and guardians of the whole Filipino people, and peculiarly of the ignorant masses, and our trust is not discharged until those masses are given education sufficient to know their civil rights and maintain them against a more powerful class and safely to exercise the political franchise.—Hon. Wm. H. Taft, in special report to the President.

No sophistries or subtleties can make money or create a currency which is good for one and which is not equally good for the other. The interests of labor and capital are always identical.—Hon. C. W. Fairbanks, in U. S. Senate, March 5, 1900.



# DEPARTMENT OF JUSTICE.

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## **The Work of the Department of Justice.**

The effort of that portion of the administration of President Roosevelt which is under the jurisdiction of the Department of Justice has been to determine by careful and painstaking investigation whether the many complaints which have been made of the violations of Federal law were well founded, and to present such violations as were found to actually exist to the Federal courts so that exact justice might be done; that no violator of the Federal statutes might escape due punishment; but at the same time that frivolous and unfounded prosecutions might be avoided and that the machinery of the Federal power might not be used to further the end of private litigants. The success of certain proceedings against persons and corporations for acts in restraint of trade forbidden by the Sherman Act, so-called, naturally led to appeals to the Department of Justice for Federal procedure in a very large number of cases, and the work of the Department of Justice has been as largely in determining which of such complaints indicated actual violations of the law as in prosecuting offenses found to have been committed. There has been a uniform application of the rule that proceedings should only be brought when some public interest was involved or some public benefit to be secured. The Department has been careful to see that no litigation has received its sanction, or been participated in by the Government, in which the foregoing was not the fact, and has been interested only in an impartial and vigorous prosecution of this law and other Federal statutes.

## **Prosecutions Under Sherman Act and Interstate Commerce Laws.**

It has been the duty of the Department of Justice to defend the soundness of the position taken by it in matters relating to prosecutions under the Sherman Anti-Trust Act, so-called, and also under the Interstate Commerce Act, by carrying proceedings thus inaugurated through the various courts and to a final determination in the Supreme Court of the United States. It has been the constant endeavor of the Department to have the material questions involved settled as soon as practicable, and to this end it has moved to advance cases, and has been insistent upon the prosecution of the various appeals and intermediate steps involved. The result has been a definition by the Supreme Court of many aspects of the Sherman Law, and a series of decisions under which further proceedings in enforcement of this law can be taken with reasonable hope of success; the facts in each case being determined by a thorough, and frequently expensive, examination by the Department of Justice.

*The Details of the Work of the Department of Justice in the Enforcement of Law with Reference to Corporations will be Found Under the Chapter Entitled "Regulation of Corporations."*

## **Enforcement of the Naturalization Act.**

Among the several recent salutary Federal enactments standing to the credit of the Republican administration of national affairs is the Naturalization Act, which went into effect June 29, 1906. The terms of this Act provide for representation of the United States at hearings held for the purpose of determining the suitability of aliens for admission to American citizenship. The duty of representing the United States in this important function devolves upon the Department of Justice, and, as a mere

*pro forma* appearance without knowledge of the facts in each case, except as they appeared in court, would be of little value, a system of examination has been developed under the Department of Justice by which every application for naturalization is effectively scrutinized. The great boon of American citizenship should not, it is agreed, be conferred except upon those who are worthy of the privileges it bestows and who can make an adequate return in the character and quality of their acts as citizens, for the confidence which they have enjoyed. It is recognized that the best cure for undesirable citizens is to apply such tests as will develop the fact of their undesirability before they have been added to the voting strength of the country. In their examination of the claims of aliens for citizenship, the officials of the Department of Justice have not only been able to secure the rejection of the applications of undesirable persons, but they have been able to assist in the naturalization of aliens whose addition to the body politic is desirable, and they have also been able to secure the cancellation of certificates of naturalization formerly obtained by aliens before the present law went into effect. Too high an estimate cannot be put upon the value of a careful scrutiny and examination of applications for naturalization. Many of the ills which threaten the political, social and economic affairs of the United States at the present time may, in all probability, be checked by the denial of citizenship to those who, from ignorance, imperfect training or perverted views, are likely to become additions to ignorant, venal, or vicious classes of voters constituting a constant temptation to undesirable political methods from the fact that they cannot be swayed by those considerations and arguments which are successfully addressed to the reason of the thousands of naturalized citizens now fully in accord and sympathy with the aims and objects of the Government of the United States. To these the new naturalization law and the work of the Department of Justice as a means of assistance in securing American citizenship are guaranties that such citizenship, once attained, will not be cheapened and depreciated by a too easy access under unfair, unequal, and inequitable conditions.

#### Ended the Lottery Swindles.

The Administration of President Roosevelt has seen the final destruction of the lotteries which had for years been, in the opinion of the large majority of the people of the United States, a great national evil. Although legislation was passed in 1895 intended to eradicate this immorality, by reason of delays incident to litigation and to various evasions, on the part of those interested in the lottery business, the Government was not able until 1903 to put effective measures into operation for the termination of the illegal transactions involved. In 1903 a favorable decision was secured from the Supreme Court and until 1907, one device after another was disclosed by the active investigations of the Secret Service, and terminated by prompt and vigorous prosecutions by the Department of Justice, until, in May of the year last mentioned, complete cases were made against the officers of the Honduras National Lottery Company, the successor of the Louisiana State Lottery Company. The interests involved, for the first time, acknowledged their defeat, and without contesting the cases, pleaded guilty, paid fines aggregating \$264,700, and agreed to go out of business and surrender all of the paraphernalia of the Company to the Government for destruction. This was the company which had been doing the very large proportion of the lottery business in the country, and which had been able, by various secret devices, to continue in business, although at a constantly increasing expense and risk. The result of this successful prosecution terminated the last of the lottery operations, which had a widespread field, and the warfare of the administration has ended in a complete victory over the chief organization conducting such a business, an organization which at one time deemed itself almost impregnable on account of the resources and influence of the persons interested.



**Enforcement of the Land Laws.**

The vigorous and impartial enforcement of the land laws of the United States which has marked the present Administration has been, and is being, carried on without cessation, and every means at the disposition of the Government is being utilized to recover lands fraudulently obtained from the United States. As a result of the proceedings so far completed, \$502,736.92 has been recovered in judgments, \$57,587.37 in fines, and 1,177,836 acres of land have been returned to the public domain, while the amounts in lands and money involved in proceedings now pending will far exceed the figures above given. In four cases in Colorado demurrers as to indictments were sustained by the lower court and appeals from this decision will be taken to the Supreme Court under a law passed by a Republican Congress giving the United States a privilege not previously possessed by it of taking appeals in criminal cases on points of law. While the tendency of these appeals has the result of temporarily postponing the trial of criminal proceedings in some cases, active litigation is being carried on wherever civil suits are deemed to be desirable to recover lands alleged to have been fraudulently secured from the United States. Safeguards to the acquirement of the public lands have been increased, so that adequate returns are being secured and will be secured hereafter from all those who acquire public lands from the United States.

During the past two years, the Department of Justice has been engaged in the active investigation of the rights and responsibilities of the holders of the titles of lands involved in certain railroad land grants in the Northwestern States. The Oregon and California Railroad Company, among others, was granted certain tracts of land in aid of its railroad under conditions that it should sell the land thus granted to bona fide settlers in tracts of not more than 160 acres at a price not to exceed \$2.50 an acre. Complaints were made to the Department that the Company had refused to sell a certain portion of this land according to the terms of the grant, and that it had sold other portions in larger tracts and for greater sums than above named. In order to properly test the rights of the Government and the duties of the holders of the lands it became necessary to secure from the Congress certain additional legislation which was promptly passed by virtue of the Republican majority in both Houses and ample authority given the Attorney General for a thorough test of the many difficult questions involved. At the same time, it is proposed that these proceedings shall be conducted so that there shall be no serious disturbance of commercial and industrial conditions within the States in which these lands lie.

**Proceedings Against Peonage.**

Commercial greed is not localized, but it may be noted that in certain States which have been dominated by political tenets opposed to the doctrines of the Republican party, a peculiarly obnoxious form of this vice has been stimulated by legislation. In the solid South, so-called, it has been possible, by reason of State statutes on the subject of personal debts, to hold large numbers of people to enforced labor with the result, as shown by developments in courts of justice, that men, women, and children have been reduced to and kept in that condition of slavery known as peonage, a condition involving evils as great as those involved in chattel slavery, even though the characteristics of the two forms of bondage are not identical. The slavery which has been found to exist is not confined to persons of the negro race, but has included a large number of white persons, many of whom are alleged to have been deceived into the localities where peonage was practiced by false promises and representations. Under sections 5525 and 5526 of the Revised Statutes, constituting holding in slavery or peonage an offense against the laws of the United States, and in consequence of the numerous complaints received, the Department of Justice has, during the present administration, undertaken a thorough investigation of the conditions obtaining in various forms of labor and industry in remote portions of certain Southern States, with the result that



as a consequence of the agitation produced, and the prosecutions sustained in the Federal courts, this evil has been substantially checked and a healthful public opinion created in the direction of the repeal of the laws under which peonage became possible.

In connection with the investigations into the facts surrounding conditions of peonage, it has been developed that this offense against the Federal laws has gone hand in hand with violations of the contract labor laws, and that a systematic importation of aliens had found its outlet in the utilization of labor thus imported under conditions which resulted in the forcible restriction of aliens within labor camps and charges against them of indebtedness for current support which, added to the cost of their passage to this country, made a sum total which it was almost hopeless that they should discharge. While it is true that it has not been possible to obtain convictions on some of the indictments which have been secured, this failure has been, in large part, due to local influences and circumstances and the result of the convictions which have been obtained was a wholesale release of persons who had been held to involuntary servitude under the plea of requiring them to pay their debts, such debts, it must be remembered, being frequently made up of exorbitant and unjust charges. This method of securing labor has been effectively restricted, if not wholly suppressed, by the activity of the Administration, and the investigations and efforts to punish those involved in these infractions of the Federal laws are being continued and will be continued by the present Administration.

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The national credit is of too paramount importance and nothing should be done to tarnish or impair it.—Hon. W. McKinley, in House of Representatives, April 15, 1878.

I am President of all the people of the United States, without regard to creed, color, birthplace, occupation, or social condition. My aim is to do equal and exact justice as among them all.—President Roosevelt, in a statement to executive council American Federation of Labor, Sept. 29, 1903.

A railroad company engaged in interstate commerce should not be permitted, therefore, to issue stock or bonds and put them on sale in the market except after a certificate by the interstate commerce commission that the securities are issued with the approval of the commission for a legitimate railroad purpose.—Hon. Wm. H. Taft, at Columbus, Ohio.

Passed at the instance of Mr. Roosevelt, it (the Rate law) stands as a monument to the principle which he has incessantly maintained in speech and action, that the laws must be so made that they can be enforced as well against the sins of the wealthy and the powerful as against those of the poor.—Hon. Wm. H. Taft, at Columbus, Ohio.

Mr. Bryan asks me what I would do with the trusts. I answer that I would restrain unlawful trusts with all the efficiency of injunctive process and would punish with all the severity of criminal prosecution every attempt on the part of aggregated capital through the illegal means I have described to suppress competition.—Hon. Wm. H. Taft, at Columbus, Ohio.

You must face the fact that only harm will come from a proposition to attack the so-called trusts in a vindictive spirit by measures conceived solely with a desire of hurting them, without regard as to whether or not discrimination should be made between the good and evil in them, and without even any regard as to whether a necessary sequence of the action would be the hurting of other interests.—President Roosevelt at Cincinnati, Sept. 20, 1902.

Every one who knows anything about the management of railroads knows that there has been a revolution in respect to their obedience to the law. No longer are special privileges granted to the few—no longer are secret rebates extended to build up the monopoly of the trusts. The railroads are operating within the law, and the railroad directors and officers and stockholders ought to rise up and call blessed the men who are responsible for the passage of the Rate bill.—Hon. Wm. H. Taft, at Kansas City, Mo.

It would be hard to find in modern times a better example of successful constructive statesmanship than the American representatives have given to the Philippine Islands.—President Roosevelt at Providence, R. I., August 23, 1902.

# THE WAR DEPARTMENT.

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## ITS EFFICIENT AND ECONOMICAL ADMINISTRATION.

### Splendid Record of the Army as Military and Civil Public Servants, Pioneers, and Humanitarians.

The events of the past decade have brought the War Department into great prominence. The war with Spain and conditions growing out of it enormously enlarged the duties of this Department, thrusting new and unusual responsibilities upon it and widening the field of its operation until it now extends more than half-way around the world—from Cuba and Porto Rico off our Atlantic seaboard to the Philippine Islands on the other side of the globe, 8,000 miles from our Pacific coast.

The work of the War Department throughout all this history-making period has been tremendous in mass, varied and exceptional in character. The armies of the United States from Valley Forge to Santiago have been the bulwark of the nation, and their historic deeds are cherished with pride by every American heart. In the winning of the great West the army bore a memorable and indispensable part. By its achievements in the Philippines, in Cuba and in Porto Rico, where it served first as soldiers and afterwards as civil administrators, it has added a brilliant and unique chapter to our annals. How the duties and responsibilities of this trying epoch have been met and discharged by the War Department and the Army, what splendid work our soldiers have done for humanity and the flag, and what improvements have been made in the military service to strengthen the country's defenses and its preparedness for war, it is the purpose of this chapter briefly to describe.

### The War with Spain.

Just prior to the outbreak of the Spanish War the strength of the regular army was about 26,040 enlisted men and 2,143 officers. Under the President's first and second calls for troops in April and May, 1898, the strength of the army, including regulars and volunteers, was quickly increased to 11,108 officers and 263,609 enlisted men. Meanwhile, before it moved as an army, the war with Spain had practically been ended with an invading army or expeditionary force of less than seventeen thousand officers and men, who had become master of the Island of Cuba, though there were stationed on the island at that time 80,000 veteran Spanish soldiers, who, according to the principle of the survival of the fittest, were regarded as the hardened remnants of the army of 210,000 men which Spain had sent in the attempt to dominate Cuba.

### Difficult Tasks Following the War with Spain.

The war with Spain ended, the next three years under President McKinley were marked by the most extraordinary conditions involving careful and arduous administration of the War Department. Instantly, without preparation, design, or desire the United States as a conquering nation had become suddenly saddled with the duty of governing three different sections of foreign countries, disconnectedly situated in two hemispheres, and which, by reason of their different peoples and varying traditions and customs, presented political problems and complications unparalleled in the history of the world.

In meeting this emergency the President found himself charged not only with the constitutional powers of the executive, but charged also by the peculiar nature of the newly developed conditions with the obligations of all three of the usually divided duties of state—the legislative and judicial in addition to the executive. His Secretary of War had then



necessarily to be a man capable of acting for him in the immediate supervision of all military affairs, for in the beginning of the government of the newly acquired territory the War Secretary was not only required to frame and prescribe the laws, but was called upon likewise to interpret and enforce them.

In the beginning of the new and anomalous conditions that prevailed, the Secretary of War was virtually the framer of three separate governments for three different alien people, a task so well accomplished that in a little more than three years the Cubans were enabled to hoist their own flag as a separate and independent nation, while the Porto Ricans and the Filipinos were quickly permitted to enjoy civil forms of government with only a mere fractional element of military control, without the cost of a dollar to the United States Treasury except for the money paid in salaries to Federal officers.

#### **The Work in the Philippines.**

After the close of hostilities with Spain it became necessary to deal with the insurrection in the Philippine Islands, which continued with unvarying success on the part of the United States troops until the Filipino insurgents dwindled into mere bands of guerillas, who finally gave up their arms and surrendered when, on March 21, 1901, Aguinaldo was captured.

There is no prouder or more honorable page in the history of our army than that covering the period of its suppression of the Filipino insurrection. Although the campaign against the organized Filipino troops was swift and short, lasting only about a year, the guerilla warfare that ensued carried on by the various bodies of insurgents of the different parts of the islands, covering an extensive area of operations, required a degree of zeal and labor on the part of our army seldom, if ever before, experienced by any military troops in the civilized world. Scattered over the vast expanse of territory our seventy thousand soldiers that were at one time in the Philippine Islands were distributed at nearly six hundred stations; large pursuing columns were also undergoing untold hardships, generals and private soldiers all alike without regard to rank for a great part of the time carrying their own rations and possessing no other camp equipage than the half shelter tent or rubber blanket carried on the person. It is difficult to convey any adequate idea of the extent of these military operations in the Philippines or the strain upon the physical endurance of our soldiers, who for the first time in the army's career were experiencing the sickening and debilitating service in the tropics, marching over flooded rice fields, wading through dangerous swollen streams, crossing angry rivers on improvised rafts, often under hostile fire—all this without the usual place of rest in camp, without shelter from rain or sun, and often without cooked food.

Wherever the permanent occupation of our troops was extended in the Philippine Islands civil law was quickly put in force, courts were organized, and the most learned and competent native lawyers appointed to preside over them. A system of education was introduced in 1899, and in that year the Secretary of War reported to Congress that a greater number of good schools, offering facilities for primary instruction, then existed in the Philippines than at any previous time in their history.

#### **China Relief Expedition.**

In June, 1900, conditions became so seriously threatening in China that the United States, though reluctant to take any intrusive part in the affairs of that vast country, was compelled to send a regiment of United States infantry from Manila, with suitable transportation, medical officers, and rapid firing guns, under instructions to the commanding officer to confer with the Admiral commanding the American fleet at Taku and to report to the United States Minister at Peking for



such duty as might be deemed necessary in the protection of the lives of American citizens in China. Not only had the United States Legation at Pekin been attacked, together with the Legation buildings of other powers, but the United States Legation, together with those of other foreign powers, were actually besieged and the German Ambassador at Pekin was reported to have been murdered. It was at this time that the second combined expeditionary force to Pekin became necessary, forming an allied army of all the great powers and including our own military force under command of Major-General Chaffee, ordered there to protect our citizens and our Legation against the murderous assaults of the so-called "Boxers," whom the Chinese government had acknowledged and proved itself utterly unable to control or subdue. The splendid results that followed this display of American force and the assertion of the right of the United States to participate with the great powers of the world in Oriental matters have all become a part of the history of the country. The total military strength of the expedition in China numbered 435 officers and 15,018 enlisted men, besides 2,000 marines.

#### **Telegraph and Cable Lines Constructed by the Signal Corps in Cuba and the Philippines.**

Upon entering the Philippine Islands the American army found practically no telegraph lines in existence. The few land lines that had been constructed in the Visayan Islands, were early destroyed by the natives, as were many of those in Luzon during the retreat of the insurgents. Immediately flying lines were laid to follow the advance of the troops, and these were succeeded by permanent lines built and repaired under the most trying circumstances through an unknown country, generally devoid of roads, and where the trails through the jungle, difficult at all times, were almost impassable during the prolonged storms of the rainy season.

Added to these difficulties were the incessant efforts of the insurgents to interrupt communications; their persistent and annoying attacks, and frequent ambushes of small parties which cost the lives of many valuable men.

In addition to the construction of over 5,000 miles of land lines in the Philippine Islands, the army was early confronted with the problem of laying and maintaining a system of inter-island cables, which, following the rapid advance of American troops and the extension of American ideas, could alone furnish the means by which military operations and civil control could be executed amidst the islands ceded by Spain to the United States. As a consequence, the signal corps of the army was called upon to enter a new field of endeavor. It was compelled to fit up for sea service and to maintain cable ships and smaller boats; to have manufactured in accordance with its own specifications, and to inspect, hundreds of miles of deep sea and other cables; and finally to lay and operate these cables in the then almost unknown waters of the Philippines. All of this was effectively accomplished and there is hardly a section of the world where so intricate a network of submarine telegraph exists.

The lines of communication embraced 5,108 miles of permanent land lines and 1,326 miles of submarine cables; a total of 6,434 miles of telegraph, telephone, and cable communication in regions where for the most part the telegraph had theretofore never been seen. The extension of this telegraph system in three years of American occupation was far greater than it was during the entire previous period of Spanish occupation.

Upon the occupation of Cuba by the American Army, January 1, 1899, the old telegraph system was found to have almost disappeared. It therefore became one of the most important of the early duties of the army of occupation to build or restore the lines, so that the first duty of the Signal Corps was to provide communication between division headquarters and the various posts, garrisons, camps, and important cities. Afterwards the task of constructing this system from one end of Cuba

to the other was undertaken. By April 1, 1899, there was completed a system of 2,500 miles, equipped with modern appliances and latest methods and consisting of nine lines which crossed the island from north to south, and one trunk line running through the center of the island from Pinar del Rio, in the west, via Habana and Santiago, to Baracoa, in the east. The central line from Habana to Santiago, completed in about three months, was a work of the greatest importance to Cuba, which the Spaniards had apparently never even ventured to undertake. The Commanding General in Habana had communication with every point of importance in Cuba, and the various camps and garrisons had been provided with their local systems of communications. At the time of the transfer of affairs to the Cuban Government, May 20, 1902, this stable and permanent system had been extended from San Juan y Martinez, at the western end of the island, to Cape Maysi, on the extreme eastern end, embracing 3,500 miles of wires and giving communication to every town, city, or seaport of importance in Cuba.

#### **Reduction of the Army.**

Active military operations on the part of the United States having been completed, the War Department proceeded immediately to the reduction of the military establishment. The provisions of the Acts of Congress of April 22nd and 26th, 1898, providing for the increase of the army in the beginning of the war with Spain, required that at the end of the war the entire volunteer force should be discharged from further military service and the army reduced to a peace basis. Thus it became necessary four months after its mobilization to discharge the entire volunteer force, which in August, 1898, consisted of 5,216 officers and 110,202 men, leaving for all the duty which the army had then to perform in the United States, Cuba, Porto Rico, and the Philippine Islands, only 2,324 officers and 61,444 enlisted men of the then authorized regular army, but this number was by Acts of Congress subsequently increased to 65,000 regulars and 35,000 volunteers.

On February 2, 1901, an act was passed to increase the efficiency of the permanent military establishment, authorizing the President to maintain a regular army according to the exigency of the time, from a minimum of 59,131 to a maximum of 100,000.

The improvement of conditions in the Philippine Islands in the spring and summer of 1901 made it unnecessary to maintain the maximum strength of the army authorized by law, and on May 8th of that year an order was made fixing the reduced strength of the several organizations in a manner to place the aggregate enlisted strength of the army, including all staff departments, at 77,287.

In 1903 the army was reduced to the minimum allowed by law, and even that minimum number was further reduced on account of discharges for various reasons, which left the army at 55,500 enlisted men, of which number only 15,510 remained in the Philippine Islands, whereas now according to latest official reports the total garrison strength in the Philippine Islands numbers 13,584 officers and men,

A cursory statement of this kind cannot give any intelligent idea of the amount of work that devolved upon the War Department throughout this period. The United States was required practically to raise and disband two distinct armies between April, 1898, and July 1, 1901,—one army for the Spanish-American War, which was required to be disbanded immediately after the signing of the treaty of peace with Spain, and the other army to put down the insurrection in the Philippine Islands, which under the law was disbanded between January 1, and June 30, 1901.

#### **Control of Tropical Diseases.**

In June, 1900, the campaign against yellow fever on the Island of Cuba was begun by the medical officers of the army. The disease, which was known by authentic records to have



existed without a year's intermission for a period of one hundred and fifty years, appeared for the last time in 1901, after which time the city of Habana enjoyed complete immunity as long as the precautions begun by the American officers were continued. When the army reoccupied Cuba, however, in the fall of 1906, sanitary conditions, which had been in excellent shape under the former American control, were found to have been allowed by the Cubans to lapse into a state approaching the old Spanish régime. But again the Medical Department went vigorously to work and sanitation has been again organized and re-established on a sound basis which warrants the conclusion that yellow fever, if not entirely wiped out of existence there, will always be under control beyond the danger of epidemic.

In June, 1900, a commission of army medical officers met at Habana for the purpose of studying the causes of yellow fever. Major Reed, the master mind of the commission, in his series of most perfectly planned experiments, proved beyond doubt that yellow fever is transmitted only by the bite of a particular species of mosquito, and that the old theory that filth, articles of clothing, etc., could carry the disease, is absolutely untenable. The Commissioners exercised great scientific ability and energy in their investigations, and much individual heroism was required amongst them as well as on the part of the enlisted strength of the army, who voluntarily offered themselves as subjects for the new experiments for the determination of the exact nature of the disease. It was at that time that the lamented Dr. Jesse W. Lazear, contract surgeon of the United States Army, won immortal glory and distinction by voluntarily permitting himself to be inoculated with the yellow fever germ, in order to furnish a necessary additional experimental test in the course of investigation, and as the result of that act of heroism and superb devotion to professional duty, soon afterwards died of the disease.

In the Philippine Islands, it became the duty of the Army Medical Department to protect the army from cholera and plague. The United States troops stationed at Manila and some of the larger seaport towns had every reason to expect the worst; but the troops were carried successfully through an epidemic of bubonic plague with only one or two cases affecting our soldiers, while smallpox was almost completely eradicated from Manila and the larger towns. During the year 1902 nearly half of the mean strength of the United States army was serving in the Philippine Islands, and was everywhere exposed to a malignant epidemic of cholera, from which probably 150,000 natives had suffered with a death rate of over fifty per cent. Notwithstanding this, owing to the strict preventive measures inaugurated by the Medical Department of the army and faithfully carried out by all officers, only thirteen cases of cholera per one thousand of strength occurred among the troops, with a death rate of 7.5 per thousand. When these records are compared with the cholera statistics of the United States army in the year 1866, when among the troops exposed there were over two hundred admissions per thousand with ninety-four deaths resulting, the enormous gain in sanitary knowledge and efficiency may be easily seen. In fact, the control and final extinction of the Asiatic cholera in the Philippine Islands seems now to have been accomplished. The severe epidemic, which began in 1902, was brought to a close in February, 1904, through the skillful and determined efforts of the medical officers of the army.

In the Chinese relief expedition of 1900-01 the United States army came into comparison with the forces of most of the great nations of the world, and as the result of that comparison won for itself highest standing. The Medical Department established in a very short time at Tientsin what was regarded by far as the best military hospital; and later on at Pekin many observers declared that the Medical Department of the United States army on duty there was by far the best and most intelligently equipped of any medical service there represented.

One of the most important duties assigned to the Medi-



cal Department was that of establishing sanitary precautions at Panama. Recognizing that the sanitary problem is one of the most important in connection with the construction of the canal, the Panama Canal Commission very wisely applied for Col. W. C. Gorgas, a notable sanitary expert of the Medical Corps of the army, to take charge of the sanitary and medical department of this great work. Col. Gorgas inaugurated a system of sanitation in 1904, and has attained results that have excited the admiration of the world. Yellow fever, the bane of the French canal commission, that lost so many lives, has disappeared, and malaria, the greatest factor in the sick rates in the vicinity of the canal, is being rapidly brought under control.

Another very interesting point in favor of the zealous devotion to duty of numbers of the Medical Department might be mentioned. Captain Ashford, of the Medical Department, having proved that anaemia, which affects about eighty per cent of the native population of Porto Rico, was due to infection with a small intestinal worm and that the disease is both preventable and curable, was at the request of the Governor of Porto Rico detailed as the senior member of a board to study that disease. Under his able direction thousands of cases have been cured, and the proper steps taken to stamp out this disease.

#### **The Bureau of Insular Affairs.**

As the result of the war with Spain, the United States in 1898 became suddenly charged with the affairs of Cuba, Porto Rico, and the Philippines, which in consequence of that war passed from the jurisdiction of Spain to that of the United States. It was a bewilderingly new and vitally important duty, demanding careful consideration and quick attention. Naturally, however, all of those islands being still in the hands of our military, and all more or less unsettled and in need of a strong, competent hand to control and tranquillize them, the Secretary of War, under the immediate direction of the President, was regarded as the logical head of their governments. There was at that time, however, no organized bureau or office in the War Department which could well take hold of and manage the affairs of those three separate and distinct insular people, and therefore, as no time was allowed for delay, it became necessary for the Secretary of War to establish within his own office a small division of insular affairs which has since been enlarged by Congress into a Bureau.

To describe in detail the multifarious duties that devolved upon this section of the War Department would be to review over again the accounts of all insular affairs which have been set forth fully in the chapters devoted respectively to the Philippines, Cuba, and Porto Rico. Indeed, all of the achievements in the Philippine Islands owe much to this Bureau, which, acting as the American agency in all matters between the Philippine Islands and the United States, has played an important part and exercised inestimably valuable influence for the benefit of the insular government.

In the matter of education alone it has in a practical way done much in the great scheme of help to the Filipinos, and the manner in which it has supervised the education of Filipino youths brought to this country and placed in various schools and colleges has merited unmeasured approval. From the very hour that these young men arrived in the United States from the Philippines they were taken in charge by agents of this Bureau, and their affairs were constantly and most carefully looked after. There are now nearly two hundred of these selected bright and intelligent young Filipinos undergoing instruction in carefully chosen educational institutions in the United States.

This Bureau has also rendered conspicuous service in devising a new monetary system, banking system, and various other innovations calculated to benefit the people and increase the material prosperity of the Philippine Archipelago.

Its first important duty was with respect to Cuba, super-

vising and controlling the management of the customs and every other department of the military and the subsequent tentative civil government conducted by the United States.

One of its first most successful achievements was the preparation and supervision of the insular tariff system, and it has been an indispensable auxiliary in the furtherance of all of the schemes for the improvement of conditions in all the islands, but more especially in the Philippines, where its chief efforts seem to have been centered.

To the Bureau of Insular Affairs are assigned all matters pertaining to civil government in the island possessions of the United States subject to the jurisdiction of the War Department; also the transaction of all business in this country in relation to the temporary administration of the government of the Republic of Cuba, established under the provisions of the Platt Amendment on September 29, 1906, which is subject to the supervision of the Secretary of War, as well as making it a matter of official record. The Bureau of Insular Affairs is the repository of all the civil records of the Philippines and of the former government or occupation of Cuba (which terminated May 20, 1902), as well as the records of Porto Rico during the period (ending April 30, 1900) in which the War Department exercised jurisdiction over that island. It is required to furnish information relative to these subjects. It prepares, compiles, and arranges for publication executive documents relating to the affairs of the islands under it. It makes a comptroller's review of the receipts and expenditures of the Philippine government, and prepares final statements for presentation to Congress of all such accounts. It makes the purchases of supplies in the United States for the Philippine government, makes payment therefor, and arranges for their shipment to Manila. It has charge of appointments in the United States to the Philippine civil service, including arrangements for transportation. It gathers statistics of insular imports and exports, shipping and immigration, and quarterly summaries of the same are issued so far as the Philippines are concerned.

## WORK OF THE ARMY IN ALASKA.

### Military Telegraph System.

An extensive system of military telegraph lines in Alaska, provided for in Act of Congress approved May 26, 1900, was the first step toward securing for the enormous territory of the north the means of communicating by electricity from the isolated camps and settlements of the territory to the outer world. When without the telegraph for many months of the year nearly all communication would cease in Alaska and the region would become a closed world to the rest of mankind. The plan to wire Alaska was stupendous in conception, and has been brought to its present state of completeness through the energetic work of the Signal Corps, assisted by the line of the army.

The construction began in the late summer of 1900 at Valdez and Fort Liscum, and the system proper, land lines, cables and wireless, was completed October, 1904. Including extensions and changes made in the route since then, the system is now composed of 1,403 miles of land lines, 107 miles of wireless, and 2,524 miles of submarine cable. The land lines connect with the cable system at Valdez and extend from that point to Saint Michael and Eagle City. This great system now affords an all-American line of telegraphic communication between the United States and the important military and commercial points in Alaska, and was accomplished by the officers and men of our army notwithstanding the almost impossible difficulties in the way of absolutely unknown country, laborious means of inland transportation, limited working season, intense cold in winter and flood in summer.

As a piece of pioneering, the opening of the trails, which was an incident of the construction of the telegraph system through Alaska, has added another chapter to the excellent

record of the American army in this regard. The establishment of a chain of telegraph offices and repair stations has made possible comparatively easy and safe travel along these Arctic trails, upon which many a prospector would probably have lost his life had it not been for the refuge houses thus established.

#### **Road Work.**

Since the spring of 1905 a board of army officers appointed by the Secretary of War have been rendering most effective service in opening up and developing the great natural resources of Alaska by constructing and maintaining wagon roads, bridges and trails. Up to date they have completed about 200 miles of wagon road, 400 miles of winter sled road, 300 miles of dog-team and pack trail, completed three river bridges and installed three ferries.

The beneficial effects of this road and bridge work were apparent at once, and have been speedily followed by an appreciable reduction in freight rates and a saving of time in transportation.

#### **PROFITING BY LESSONS OF THE WAR WITH SPAIN.**

The unprepared condition of the country and the Government for war, disclosed at the beginning of the war with Spain and painfully apparent as the weeks and months of preparation and of the war itself passed, led the administrations of Presidents McKinley and Roosevelt to enter upon and carry out a deliberate and well thought out plan of reorganizing and strengthening the military service for purposes of national defense and for increasing its usefulness to the country in times of peace. That these plans have resulted in great improvements in all these lines can but be apparent from the facts here presented, and that the results fully justify the work undertaken and carried out is equally apparent.

The war with Spain demonstrated:

That the organization of the Army, inherited with few modifications from the fathers of the Revolution, was inelastic, seriously defective in some details, obsolete in others.

That the United States was absolutely without any effective coast defense system, especially so far as concerned the mining of harbors.

That not only should the artillery corps be enlarged, but that it should be divided so as to make the mobile and immobile sections of it complete in organization under separate and distinct heads. Therefore the coast artillery proper was made to consist of the immobile part of the artillery, while the field artillery, which is the mobile fighting element, was organized into regiments wholly separate and apart from the coast artillery.

That better organization in the manufacturing and supply departments of the army was absolutely necessary. There was lack of munitions and other materials of war, as well as lack of arms, both small and large.

That a general staff system was imperatively needed in our arms to co-ordinate and supervise the military operations of the various branches with a view to promoting the general efficiency of the army and securing a condition of preparedness for any emergency it might be called upon to meet.

That our regular army should be enlarged to a size more nearly corresponding to the magnitude of the country and its need for national defense.

That our militia system should be improved, its organization and discipline assimilated to that of the Regular Army, with which its members should be brought into more intimate contact and relationship.

#### **PRINCIPAL ACHIEVEMENTS IN THE WAR DEPARTMENT UNDER THE PRESENT NATIONAL ADMINISTRATION.**

##### **War Department Administration.**

The War Department has been entirely reorganized and today its administrative methods are better systematized and produce quicker and more satisfactory results than ever before in the history of the War Department.



### **Reorganization of the Army.**

The Army has been enlarged and reorganized, and many of its obsolete methods have been discarded or replaced by new ones.

### **New Military Education System.**

The military educational system has been brought to a higher plane of efficiency than ever before, and today is not surpassed by that of any other nation on earth.

During the past seven years the subject of general military education has received more attention than ever before in the history of the American army. There has been established a progressive educational system embracing army service schools at Fort Leavenworth, Kansas, which include the school of the line, the Staff college, and the Signal School; mounted service schools at Fort Riley, Kansas, including the training school for officers and non-commissioned officers; the training school for farriers and horseshoers, and the training school for bakers and cooks; the Coast Artillery School and the School of Submarine Defense at Fort Monroe, Virginia; the Engineer School at Washington Barracks, D. C.; the Army Medical School and the new Army War College at Washington, D. C.

The object of the War College is not to impart academic instruction, but to make practical application of military knowledge already acquired. Its work includes all that is involved in the preparation for war of the officers of the army in strategical and tactical problems, and embraces all the general system of military instruction at all the posts, garrison and service schools, as well as at the Staff College; also to supervise and classify the civic schools and colleges at which army officers are detailed as instructors, with a view to selecting those schools from which graduates may be appointed as second lieutenants in the army. The students are selected by the Chief of Staff and detailed by orders from the War Department in such number as may be expedient for the course of instruction beginning November 1st and ending October 31st. The Army War College goes beyond any institution of the kind ever attempted before in this country. It opens and controls a field of military training extending beyond the army itself and even to the organized militia of the States, whose officers are eligible for instruction at the service military schools; it guarantees facilities and all possible encouragement and help for military education; and beyond this it goes further and extends a helping hand even to the young students of the various civic colleges in the country. All in all, it is an institution of military learning and for the general direction of military instruction unequalled in any other country.

### **Improvement of Artillery Service.**

The artillery branch of the army has been enlarged and entirely reorganized—divided into two parts, the mobile or field artillery, and the immobile or coast artillery. The former has taken its place with the infantry and cavalry and other elements of the moving army, whereas the latter, under the immediate direction and control of the Chief of Coast Artillery, is charged with all coast defensive duty.

### **Seacoast Defenses.**

The Engineer and Ordnance Departments, which are charged with the construction and arming of seacoast fortifications, and the Quartermaster's Department, the Signal Corps and the Artillery Corps, which provide auxiliary defenses and accessories, are all working with more effective co-operation than ever before, and for the first time in the history of the United States the seacoast fortifications are now in position to defend the coast without reliance upon the navy. Thus the navy in the event of war would be set loose and free to exercise its legitimate function of seeking the enemy's fleet.

The "Taft Board" has made many important changes in the national system of coast defenses formulated by the "Eadi-

cott Board," which not only result in much saving of money, but contemplate greater protection for the big harbors than ever before undertaken. Great reductions have been accomplished in the cost of emplacements, while the efficiency of the guns has been at the same time enormously enhanced. Heavy seacoast guns that were formerly mounted on gun-lifts, whereby the gunners were protected from the enemy while loading and after firing, could only be fired once in eight minutes, and the cost of the gun-lift was \$525,000. Similar guns are now mounted on disappearing carriages at a cost of \$150,000, being a reduction of \$375,000 in the cost of mounting, with equal or better protection to guns and men, and the guns can be fired ten times in eight minutes, or ten times faster than a few years ago.

This Board brought about a rearrangement of and additions to the lists of ports recommended by the Endicott Board for fortification. These rearrangements and additions embraced within the new scheme of the Taft Board were due to the growth of the country, the improvements in ordnance and the building of a navy, as well as to matters of naval policy developed during the preceding twenty years, and to recent discoveries in the science of manufacture of ordnance and materials of war which could not be evaded.

The Endicott Board, while attaching importance to defenses at the entrance to Chesapeake Bay for the protection of Hampton Roads, Norfolk, Newport News, Washington, and Baltimore, and at the eastern entrance to Long Island Sound for the protection of New York, confined its recommendations respecting these localities to so-called floating defenses or floating batteries, as outer lines of defense. The Taft Board, however, regarded Chesapeake Bay as commercially and strategically of the very first importance, and regarded the completion of fortifications at the entrance to Long Island Sound as only second to the consideration due to Chesapeake Bay. It will thus be seen that by taking all necessary action looking to the complete defense of the entrances to Chesapeake Bay, which command the approaches to both Washington and Baltimore, and the entrance to Long Island Sound, which constitutes the first line of defense of New York City against naval attack from that direction, the Taft Board has taken the precaution to look well after the hitherto neglected national metropolis as well as the national Capital. The Taft Board also took up the demands of Puget Sound, which in recent years has become of the greatest strategic and commercial importance, due to the completion in the extreme northwest of great railway systems, the rapid development of commercial, agricultural and manufacturing interests, and the establishment of a navy yard containing the only dry dock on the Pacific coast with a capacity for a battleship. In addition to these important recommendations, the Taft Board likewise considered and devised a scheme for fortifying the insular possessions, including Manila, Honolulu, and San Juan, whose military importance as naval bases and coaling stations, aside from other considerations, demanded proper attention, and furthermore provided for fortifying the Isthmian Canal ports of Colon and Panama, two most important projects, to be paid for out of the Panama Canal fund.

Notwithstanding all the important changes made in the system of national defenses, the plan of the Taft Board contemplates that adequate defenses may be secured for both the Atlantic and Pacific coasts for \$277,239 less than that estimated by the Endicott Board, and that the defense of the twenty-two ports common to both the former and the present systems can be completed for \$22,896,606.00 less than the sum originally proposed by the Endicott Board, if omission be made from the comparison of estimates for ammunition and sites.

#### Small Arms.

New models of rifles, bayonets, and entrenching tools have been adopted, manufactured, and issued since 1906, not only to the regular army, but to the organized militia of the States as well.



Prior to the Civil War the national workshops of the Ordnance Department could barely complete thirty rifles a day. In 1897 their capacity was only 200 guns per day. Now the two giant gun factories at the Springfield and Rock Island Arsenals are capable of manufacturing between 650 and 700 complete rifles every working day of eight hours, and in an emergency could produce 1,500.

### **The New Militia System.**

The National Guard or the organized militia of the States, under the supervision of the War Department, has been brought to a very high state of practical efficiency. The old militia laws, which for more than a hundred years defied all attempts at change, have given way at last, and State and Federal troops are to-day in closer touch than ever before in our history. Whatever may have been the reason for this former inaction in regard to an important feature of our military organization, it was reserved for the present National Administration to present the matter to Congress in a way which finally resulted in the Federal militia law of January 21, 1903, which has rescued the militia from its realm of obsolescence.

Since the enactment of that law the War Department has devoted itself to improving in every possible way the organized militia of the States, now commonly known as the National Guard. From time to time, beginning with the large mobilization of over twenty-six thousand militiamen at Manassas in 1904, there have been joint encampments of the regular army and the National Guard, and a system has been adopted by which the State troops are more or less constantly under the surveillance and instruction of the regular army.

Acting upon the theory that there should be an available military reserve to act as supports and defenders of the sea-coast artillery from land attacks, within the past two years a system of instruction has been inaugurated for such organizations of the National Guard as were willing to assemble at the various regular army artillery posts. In this way an interest has been awakened, which it is hoped will lead to the organization of coast artillery companies in many of the cities of the States adjacent to the larger artillery defensive points.

Additional militia legislation amending the militia law of 1903 in the light of experience of its actual workings during the past five years was secured at the last session of Congress. Under the provisions of that act, approved May 27, 1908, the value of the militia to the Government in the event of war would be greater than ever before, as this body of citizen soldiery, fully armed, clothed, and equipped, and having the same organization and system of drill and training as the regular army, would be immediately available at the first outbreak of hostilities to supplement our small standing army and to constitute with it the nucleus of those greater volunteer armies upon which this country must always depend in time of war.

### **SUPPLY DEPARTMENTS.**

#### **Practical Demonstration of Improved Conditions.**

The supply departments of the Army are better organized, better equipped, and more resourceful than ever before.

A practical illustration of the increased efficiency and resourcefulness of the Quartermaster's and other supply departments was given in 1906 in connection with the movement of the army of Cuban pacification. As if to demonstrate the improved conditions that were prevailing in 1906 over those unsatisfactory conditions that prevailed in 1898, within five minutes after receipt of the telegram from the President directing the movement, the necessary orders for the movement of the selected troops were in the hands of the telegraph operators, and a camp was quickly established at Newport News, Virginia, to serve as a basis of operations. The stores and supplies necessary to equip this expedition of 380 officers and 5,220 men were promptly set aside at designated depots of the Quartermaster's Department, and the officers in charge of the depots were instructed to be



prepared to ship supplies promptly on notification. This work was so well handled, that within twenty-four hours after telegraphic instructions for forwarding these supplies were received they were en route to their destination by fast freight and express from Philadelphia, New York, Boston, Chicago, Jeffersonville and St. Louis, including clothing, camp and garrison equipment, and all the various articles of military supplies needed for the army about to start for Cuba. In addition to these articles other shipments were made from time to time as required, and the War Department in all respects had reason to congratulate itself, not only on the carefulness with which that mobilization of troops had been so satisfactorily effected, but on the complete and expeditious manner in which the troops had been amply supplied and equipped with all that was needed for the expedition upon which they were about to start.

The army is better fed than ever before. The Subsistence Department has devoted much time, not only to the selection of proper food stuffs for the Army rations, but has likewise studied closely the methods of food preparation, and has established a school for the training of army cooks. It has also, by the use of the newly invented so-called "Fireless Cooker," provided for furnishing warm cooked food in camp, on the march, on the battlefield, and even on the firing line if necessary.

The Subsistence Department, aside from its strictly military duties, has won the admiration of the people generally throughout the country by proving itself of inestimable help to stricken communities in times of emergency and catastrophe, such as earthquakes, cyclones, famines, fires, and floods. These efforts have called forth the warmest expressions of gratitude from the beneficiaries. Among the most notable instances which have occurred in this respect are those on the occasion of the loss of life and property during the flood on the Mississippi River in 1897; during the Santiago campaign of 1898, when the Spaniards expelled the people from the city and they came to the American Army in a wretched and starving condition and were fed and cared for; when Porto Rico was visited by the destructive hurricane in 1899, which left death and starvation in its wake; in the disaster at Galveston in 1900, when the city was almost swept away by flood and thousands of lives were lost; when the volcanic eruption occurred in the French West Indies in 1902, in which nearly 40,000 human beings perished; and when the people of Cuba were subjected to the horrors of the "Reconcentrado" order and were starving. It was in a measure a race against death when the steamship "Comal" carried succor to the helpless and famished people of that island, who were perhaps saved from partial extinction by the timely and generous efforts in their behalf. The Subsistence Department fed the helpless and starving Filipinos by purchasing and distributing for the Insular Government over 20,000,000 pounds of rice, sugar, and salt in 1902. This, while from motives of humanity, operated in the end as a vital war measure. In the appalling calamity which overtook San Francisco and neighboring cities in the spring of 1906, when earthquake and conflagration rendered thousands homeless and hungry, the Subsistence Department was charged with feeding the destitute and the unfortunate; and while the earthquake and fire had destroyed the Commissary Depot in San Francisco at that time, the personnel of the Commissary Depot remained intact and its organization was enabled to render invaluable service in the distribution of the needed relief. This relief was continued for some time through the efforts of the National Red Cross Association, and through donations from other charitable institutions and private individuals.

The purchase and inspection of large quantities of supplies needed for relief of the starving in China last year were mostly made by the Subsistence Department. Upon request of the National Red Cross Association the Department purchased relief supplies at San Francisco for that organization in connection with the Chinese Famine Relief, and all Subsistence officers who were requested to act as purchasing agents for the purpose promptly expressed their willingness to serve in such capacity. The Christian Herald of New York also asked the

Department to purchase and inspect supplies to be provided from the fund raised by that paper for the relief of the famine-stricken people in China. Both the Red Cross Association and the Christian Herald expressed the highest appreciation of the services rendered, and the editor of the Christian Herald said, among other things, that the services which the Department rendered "could not have been improved upon."

In the recent cyclone that visited the Southern States—involving loss of life, destitution, and destruction of property—the Subsistence Department responded promptly and effectively to the call made upon it.

#### **Work of the Army of Pacification in Cuba in 1906.**

On account of the insurrection in Cuba in 1906 the necessity arose for the intervention of the United States, and on September 28, 1906, an expedition of United States troops consisting of 380 officers and 5,220 men sailed for Habana. Our troops forming the army of pacification are still in Cuba under the command of a major-general of the United States army, who is conducting military administration under the advice and direction of the Civil Governor of Cuba, appointed by the President of the United States, and the good results of that military aid to Cuba are already being demonstrated in all parts of the island, as will be shown elsewhere in the special chapter devoted to Cuba. From the date of arrival in Cuba of the troops constituting this army it had been what its name implies—an army of pacification—and no cases whatever had arisen for resort to force of any kind. The moral effect of the presence of this little Army of Pacification has nevertheless shown itself everywhere, so that the remotest nooks and corners of Cuba have been made aware of the fact that United States soldiers are there for the protection of the people and the enforcement of the law. Details of the work performed in Cuba by officers and men of the War Department are stated in another chapter.

#### **Medical Department.**

In modern warfare the service rendered by a medical corps consists largely in enforcing sanitary precautions and health measures that will reduce disease among the troops to a minimum and prevent their effective fighting strength from being unnecessarily lessened from this cause. This is particularly true in our own case, because in any war in which the United States may ever be engaged our armies will always consist in the main of volunteers, who naturally do not fully realize the immense importance of safe-guarding their health and taking care of their physical condition, and if they did are not trained in the matters essential for that purpose.

Adequate provision for caring for the health and comfort of the volunteer forces in time of war could only be made by creating a sufficiently large body of competent surgeons with military knowledge and training, requiring years of hard and conscientious work. These facts were pressed upon the attention of Congress with great earnestness by the War Department, and on April 23, 1908, a measure of relief was passed. Under the provisions of this law the Medical Department has been enlarged, and for the first time is now in position to prevent the needless loss of life and treasure which in times past resulted from insufficient medical attendance.

#### **River and Harbor Improvements.**

In no department of government activity perhaps has there been more progress during the past twelve years than in the work of improving rivers and harbors, which has been under the direct supervision and control of the Corps of Engineers of the Army, and certainly there is no field of effort more important or beneficial to the people at large.

At no period has this development been greater than between the years 1896-1908, and the systematic and energetic methods employed, born of experience and intelligent conception on the part of Congress and the executive, have resulted in a maximum of benefit to the agricultural, commercial, and manu-



facturing interests of the country at a minimum of cost. During these thirteen years Congress has appropriated a total of \$264,215,113 for the execution of definite projects carefully and scientifically formulated by experienced engineers.

There are now 592 separate works being carried on under the charge and supervision of sixty-four trained and educated officers of the Corps of Engineers. These works range from the bays and broad armed ports where "rich navies ride," to the small streams, creeks, and inlets over which the products of the farm are carried to market in rowboats and in small schooners, or lumber from our virgin forests is floated in rafts. In 1896, about 7,500 men were employed on river and harbor works, whereas during the past year more than 15,000 have been given regular and profitable employment, an increase of 100 per cent.

To convey an accurate understanding of the magnitude of the internal commerce using our waterways, and of the work that has been accomplished for its convenience, is an almost impossible task. The constant growth in size, draft, and carrying capacity of vessels navigating the inland waterways, as well as those employed on the seaboard, has necessitated increased depths and widths of channel. Twenty-five years ago harbor depths of from 12 to 25 feet were considered ample, but depths of 30, 35 and even 40 feet are now required in our important harbors, and have already been acquired or provided for.

Among the results accomplished up to the present time may be mentioned the increased depths and widths of channels in the great harbors of the country, particularly Charleston, where the depth has been increased from 10 to 26 feet; Ambrose Channel, New York Harbor, where the original available depth of 16 feet has been increased to 35 feet, and it is estimated will be still further increased to 40 feet by the year 1910; and Galveston, where the original depth of 9 feet has been increased to a ruling depth varying between  $27\frac{1}{2}$  and 30 feet; the improvement of the ports and rivers tributary to the Great Lakes, which has developed a marine performing a service greater than that done by one-quarter the entire railway freight equipment of the nation, and forming a means of transportation costing only about one-ninth of the cost of the same service by rail; the construction of canals, and thirty-two different slack-water systems as artificial aids to the navigation of rivers, such as the St. Mary's Falls Canal, through which there passed during the calendar year 1907, 15,643 vessels, aggregating 32,001,110 registered tons, and carrying 42,631,846 tons of freight, and 32,875 passengers. The corresponding figures for the Suez Canal for the same period are as follows: Number of vessels, 4,273 (of which 64 were men-of-war, transports, etc.); gross and net tonnage respectively of merchant vessels, 20,307,880 and 14,596,478; gross and net tonnage, respectively, of men-of-war, transports, etc., 245,361 and 131,848; total gross and net tonnage, respectively, 20,533,241 and 14,728,326; total number of passengers, 261,275 (of which 105,686 were military and 158,589 civil); the improvement of the Mississippi river and its tributaries, aggregating more than 16,000 miles of navigable waterways, reaching the very center of the country and affording a cheap and ready means of transporting the vast products of farm and mine; the improvement of various important harbors and waterways on the Pacific Coast, including the Columbia River, which penetrates the rich forests of Washington and the grain-bearing regions of Oregon, and into which, since improvement, the largest vessels can now enter and depart without difficulty—in short, every part of our seacoast, from St. John to the Rio Grande, from San Diego to Puget Sound, more than 23,000 miles in extent, and every section of the country traversed by our inland waterways has been benefited by reason of the increased facilities and lessened cost of transportation.

The value to our commercial and industrial interests of the work of the army engineers under the direction of the War Department in the improvement of rivers and harbors is incalculable. Directly or indirectly it touches beneficially every home in the land.



### Relief Work of the Army in National Emergencies.

The army, aside from its strictly military functions, performs civic duties which, besides adding to the general welfare of the country, tend to give to the people a feeling of greater security and confidence. In times of great national disaster and affliction or even State catastrophes, when the State is unable to meet the situation wholly, the army becomes the quick and faithful agency of the National Government, in extending relief to the afflicted. In numerous instances of direful exigency the Quartermaster's Department has furnished to the people shelter and fuel; the Subsistence Department has furnished both cooked and uncooked food; and the Medical Department has furnished medical supplies and given medical attention to the sick and needy, while the Signal Corps of the Army has been prompt in putting up telegraph wires and maintaining uninterrupted private and commercial communications, as was notably the case in San Francisco, when the Signal Corps men were stringing wires within a few hours after they were down, over the still smoldering fire district of that stricken city.

In addition to this, soldiers of all arms of the service, when occasion required have been placed on duty as guards and patrols for the protection of life and property, and never yet in a single instance has the War Department failed to respond to a call for help from any section of the United States—even now afflicted and homeless people in the South are being cared for after the recent cyclonic storms and floods in Southern States.

### Expenditures for Support of the Army.

Before the war with Spain expenditures for what is known as the Military Establishment averaged about \$23,000,000 annually. In 1898 they rose to \$55,000,000, and in 1899 to \$235,000,000. The annual average for 1900 and 1901 fell to \$100,000,000. In 1901 the increase of the regular army took place under the law authorizing the President to fix the strength of the army at a minimum of 60,000 and a maximum of 100,000. Since that year the numerical strength of the regular army has been approximately two and one-half times its numerical strength prior to the war, and allowing for the increased cost of materials and supplies, the expenditures that have been made for its support and maintenance have increased in about the same proportion, the average annual expenditures for this object since 1901 being about \$73,000,000. These figures do not include expenditures for Coast Defenses.

### Expenditures for Seacoast Defenses.

Since the war with Spain large expenditures have been made for those public works of a military nature which constitute a permanent plant, and may be briefly described as the seacoast defenses of the Nation. Speaking of this great national work of coast defense, Secretary Root in his annual report for 1902 stated as follows:

"Before the war with Spain it proceeded in a very leisurely way. Since the beginning of that war it has been pressed forward with great activity. The work was commenced in 1888; but for the eight years which followed prior to 1896 the total appropriations for the construction of fortifications amounted to but \$3,521,000, or an average of \$440,000 a year, while for the last seven years, beginning with 1896, the appropriations have amounted to \$22,236,000, or an average of \$3,176,000 a year, an annual increase of more than sevenfold. The appropriations for the construction of guns and carriages for seacoast defense for the eight years prior to 1896 were but \$8,100,000 (not including the unsuccessful dynamite gun), an average annual rate of \$1,012,000, while the appropriations for the same purposes for the last seven years were \$24,193,000, or an annual average of \$3,456,000, an annual increase of more than threefold. Out of the \$58,000,000 expended for both classes of work, over \$46,000,000 have been appropriated in the last seven years."

Out of 2,362 guns and mortars contemplated in the project of the Endicott Board, only 151 were actually in position and ready for immediate use April 1, 1898. There are now over 1,200 of them completed and mounted.

The Endicott Board plan of coast defense contemplated the expenditure of over \$100,000,000. Before 1896 we were progressing at a rate which would have required seventy years to complete the defenses according to the plan. Since 1896 we have been progressing at a rate which will finish the defenses according to the plan in *fifteen* years.

#### The Work in the Islands and Panama.

Details of the work of the past four years in the Philippines, Hawaii, Panama, Cuba, and Porto Rico will be found in the separate chapters devoted to those subjects.

#### The New Militia Law.

One of the important acts passed by the first session of the Sixtieth Congress was the Dick-Stevenson bill amending the militia law.

The new law provides that the National Guard of the various States shall be first called into service after the regular army in case of war, and the regimental organizations shall be taken intact. The provision in the old law limiting to nine months their term of service when called out by the President was repealed, and National Guardsmen hereafter mustered into the federal service will serve out their terms of National Guard enlistment. The old limitation that they could not be ordered outside the limits of the United States was also abolished, and the National Guard can now in time of war be ordered by the President any place that he can send the regular army. The new act also provides an annual allowance of \$2,000,000 for arms, clothing and other equipment, and makes provision also for an annual clothing allowance.

This legislation will in time make the organized militia of the United States what it has long desired to be—a real National Guard and the second line of defense in case of war. The Guard will in time, under the new law, be armed, clothed and equipped as the regular army. It will do more for the efficiency of the National Guard than any legislation yet enacted, and will produce a well trained and well equipped force ready on a moment's notice to answer a call for national service, and constitute an efficient and homogeneous force capable of immediate and splendid military work.

The law does not provide for any conscription or forced military service, all service in the Guard being voluntary, but gives the National Guard what it never had before, a fixed status in reference to the national defense in case of war. The bill was supported heartily by the National Guard of the entire country and by the military establishment of every State. The measure will prove of great value to the Guard and to the entire country, and make us better prepared for war at a minimum of expense than ever before in our nation's history.

**Our policy is one of fair and equal justice to all men, paying no heed to whether he is rich or poor nor heeding his race, his creed or his birthplace.—From President Roosevelt's speech of acceptance.**

**The Republican party stands now as ever, for honest money and a chance to earn it by honest toil.—From an address by Hon. Wm. McKinley before the Marquette Club, Chicago, Feb. 12, 1896.**

**Those who denounce the gold standard and assail its supporters must have read to no profit the splendid and incomparable history of their country.—Hon. C. W. Fairbanks, in U. S. Senate, March 5, 1900.**

**The contention that we are not a nation with power to govern a conquered or purchased territory robs us of a faculty most important for good to every sovereignty.—Hon. Wm. H. Taft, at Cleveland, Ohio.**

**One vital, dominating fact confronts the Democratic party which no oratory, which no eloquence, which no rhetoric can obscure: BRYAN'S NOMINATION MEANS TAFT'S ELECTION.—New York World.**



# THE NAVY DEPARTMENT.

As wars between nations come suddenly, just as do personal conflicts between men, our Navy must be maintained upon that basis of possible contingency. Examination of our national history shows that wars have sprung suddenly into existence while wise men were proclaiming that war could not occur, and that there are many instances where the most unexpected occurrences have brought us to the very verge of battle. This fact was clearly and impressively set forth by President Roosevelt in a special message to Congress in April last, when he said:

## **Extract from Special Message of the President of the United States, April 14, 1908.**

### *To the Senate and House of Representatives:*

I advocate that the United States build a navy commensurate with its powers and its needs, because I feel that such a navy will be the surest guaranty and safeguard of peace.

We are not a military nation, yet we are a rich nation, and undefended wealth invites aggression. The very liberty of individual speech and action, which we so prize and guard, renders it possible that at times unexpected causes of friction with foreign powers may suddenly develop. At this moment we are negotiating arbitration treaties with all the other great powers that are willing to enter into them. These arbitration treaties have a special usefulness because in the event of some sudden disagreement they render it morally incumbent upon both nations to seek first to reach an agreement through arbitration, and at least secure a breathing space during which the cool judgment of the two nations involved may get the upper hand over any momentary burst of anger. These arbitration treaties are entered into not only with the hope of preventing wrong-doing by others against us, but also as a proof that we have no intention of doing wrong ourselves.

Yet it is idle to assume, and from the standpoint of national interest and honor it is mischievous folly for any statesman to assume, that this world has yet reached the stage, or has come within measurable distance of the stage, when a proud nation, jealous of its honor and conscious of its great mission in the world, can be content to rely for peace upon the forbearance of other powers. It would be equally foolish to rely upon each of them possessing at all times and under all circumstances and provocations an altruistic regard for the rights of others.

It is our province to decide which side has been right and which has been wrong in all or any of these controversies. I am merely referring to the loss of life. It is probably a conservative statement to say that within the last twelve years, at periods of profound peace, and not as the result of war, massacres and butcheries have occurred in which more lives of men, women, and children have been lost than in any single great war since the close of the Napoleonic struggles. To any public man who knows of the complaints continually made to the State Department there is an element of grim tragedy in the claim that the time has gone by when weak nations or peoples can be oppressed by those that are stronger without arousing effective protest from other strong interests. Events still fresh in the mind of every thinking man show that neither arbitration nor any other device can as yet be invoked to prevent the gravest and most terrible wrongdoing to peoples who are either few in number or who, if numerous, have lost the first and most important of national virtues—the capacity of self-defense.

The United States can hope for a permanent career of peace on only one condition, and that is, on condition of building and maintaining a first-class navy.

The United States ought not to indulge a persuasion that, contrary to the order of human events, they will forever keep at a distance those painful appeals to arms with which the history of every other nation abounds. There is a rank due to the United States among nations which will be withheld, if not absolutely lost, by the reputation of weakness. If we desire to avoid insult, we must be able to repel it; if we desire to secure peace, one of the most powerful instruments of our rising prosperity, it must be known that we are at all times ready for war.

### **Personnel of the Navy.**

The present administration has continued the development and perfecting of all parts of our Navy. Our ships, built by American hands, are sailed by men and officers of American birth. The enlisted men now come into the Navy from every State and Territory and from nearly every city and town, to the great advantage of the Nation and the Navy. These young men, a large proportion of whom are from the States of the West and Middle West, are splendid examples of American manhood,



and form a class described by Admiral Dewey as "the best enlisted men in the world." Of this enlisted force 95 per cent are citizens of the United States and 85 per cent are native born. The last session of Congress provided for an increase of 6,000 seamen, making the total authorized force 44,500. The Marine Corps has been increased by 750 men and 52 officers, making the total authorized force 9,521 men and 333 officers. The Marine Corps occupies 38 shore stations, and marines are stationed on every large naval vessel. The shore stations include the U. S. Legation at Peking, stations in Panama, Cuba, Alaska, Yokohama, Guam, Philippine Islands, Honolulu, and each regular naval station.

The naval officers of the line, those officers who have the duty of navigating and fighting our ships, form the most numerous part of our commissioned naval personnel. They are, for the most part, graduates of the U. S. Naval Academy. They enter the Naval Academy upon nomination by Senators and Members of Congress, from every State and Territory and from every Congressional district. There is thus no aristocracy in the Navy, as it is constantly recruited from every part of our great nation. The son of a laborer and of the millionaire are treated alike at the Naval Academy and they succeed or fail by the same standard regarding individual merit, ability, and character. They are trained in character. They are trained in the duties of the landsman, the seaman, and the officer, acquiring a knowledge and skill in navigation, gunnery, engineering, and all things that enter into the construction, handling, movement, and operation of vessels of war and the offensive and defensive weapons of war placed upon them. It is fair to say that our naval officers are the best in the world, and fairly representative of the people whom they serve, and to their high personal character and devotion to the naval service we owe the great efficiency and preparedness of our Navy, built, officered, and manned by Americans, a navy of the people, governed by the people and for the people.

The training of the officers and men of the Navy is continuous, based upon the experience in naval warfare of maritime nations. Officers begin their study and training for battle at the Naval Academy, and continue it throughout their active service, in actual battle tactics and drills and in the study of plans, projects and history of warfare at the Naval War College. The General Board, whose president is Admiral Dewey, prepares plans for all possible contingencies, and in time of war, or when active service on a considerable scale is required of the Navy, it is prepared to advise regarding naval operations. The Torpedo School at Newport, R. I., furnishes practical and theoretical instruction to officers and men regarding submarine operations, torpedoes, mines, explosives, and submarine torpedo boats.

The present system of training in gunnery has been continuously successful since 1903. The records for the year show that both rapidity of fire and percentage of hits are greater than in any preceding year, though the conditions of the tests were more difficult than heretofore. This increase in efficiency is due to the skill and energy of officers and men and the spirit of competition which is fostered between individual ships and individual guns. In battle practice at sea and at ranges of from 6,000 to 9,000 yards the heavy guns made over 30 per cent of hits against targets 30 feet high and 60 feet long, on unmarked ranges and under the conditions of firing in action. Our Navy is second to none in this regard. In small-arm target practice also a very marked improvement has been shown.

Recent experiments, under actual battle conditions, have been made by firing the heaviest projectiles and torpedoes at the armored monitor "Florida," and these practical tests are carefully studied by our officers and other experts.

#### **The Dry Dock Dewey.**

The giant steel floating dry dock "Dewey," completed in 1905, is capable of raising an injured vessel of 16,000 tons, whose bottom is 37 feet below the water surface. To have in our Philippine possessions this American-built dry dock, adapted to raise

for repairs our largest ships, the unique experiment of towing it half way around the world was made by the Navy Department.

In tow of three vessels the "Dewey" departed from Chesapeake Bay December 28, 1905, and passing through the Suez Canal arrived safely at Olongapo, P. I., July 10, 1906, having traversed 13,089 miles in 150 days 9½ hours of steaming, an achievement without a parallel in maritime history.

#### Naval Review.

The Atlantic fleet was reviewed at anchor off Oyster Bay by the President September 3, 1906, and again at the Jamestown Exposition, in Hampton Roads, April 26 and June 10, 1907.

The Secretary of the Navy reviewed the two fleets, Atlantic and Pacific, at San Francisco, on May 8, 1908, the grandest naval review in the history of the country, comprising forty-five fighting ships and twenty thousand fighting men.

#### Naval Expenditures Authorized by Sixtieth Congress.

The Sixtieth Congress at its first session, just ended, made provision for: Completing the Naval Training Station, Great Lakes, near Chicago, where 2,000 seamen may be recruited from the sturdy men of the West.

For a naval station at Pearl Harbor, Hawaii.

For improving the naval stations at Olongapo, Guam, Cavite, Culebra and Tutuila, and various naval stations in the continental limits of the United States.

For two 20,000-ton battleships.

For ten torpedo-boat destroyers.

For two fleet colliers.

For eight submarine torpedo boats.

#### The Navy as Insurance.

The Navy of the United States is an instrument of peace. Regarded as an insurance against war and the consequent enormous losses incident to war, it is the cheapest insurance in which our nation can invest. Great Britain, whose total valuation is fifty-nine billion dollars, expends annually on her Navy 2% (two per cent) of this value. France, with a valuation of forty-eight billion dollars, expends 1 3-10% (one and three-tenths per cent) on her navy. Germany, with forty; Italy, with fifteen, and Russia, with thirty-two billion dollars total valuation, likewise expends for naval purposes a considerable portion of their national wealth each year.

The United States, with a total wealth of 107 billions of dollars, expends *one-tenth of one per cent annually for naval purposes*, an expenditure not only less, but tremendously smaller, than the expenditure of any other naval power in the world, compared with our resources. With this comparatively small expenditure, we are building one of the most efficient navies of the world as an economical proposition, as an insurance against war, as a preventive of war, to guard, uphold, and defend the wealth and peace and honor of this nation, a modern nation with a modern navy.

#### Wireless Telegraphy.

Wireless telegraphy is of paramount importance to the Navy, necessary for the efficient and economical management of the fleets of the United States in time of peace, and their efficient manoeuvring in time of war. A supervisory control over the wireless telegraph work and stations of the United States is exercised by the Navy Department as being the executive department most in interest. An Inter-Departmental Board on Wireless Telegraphy, including representatives of the Departments of the Navy, War, Commerce and Labor, and Agriculture, has provided for harmonious and efficient cooperation of all facilities of this kind, both in peace and war, at all stations of the United States both ashore and afloat. Our largest naval vessels are supplied with the best apparatus and skilled operators. Two years ago, when the President was aboard the "Louisiana" in the Gulf of Mexico, it was considered a remarkable achievement when that



vessel communicated by wireless telegraph with the Navy Yard station at Washington, D. C. The battleship fleet, under Rear Admiral Evans, on March 6, 1908, then in position lat.  $9^{\circ} 00' N.$ , long.  $96^{\circ} 45' W.$ , off the west coast of Guatemala, picked up communication by wireless telegraphy with Point Loma, California; Pensacola and Key West, Florida, and New York, the greatest distance being about 2,200 miles. From this time on the fleet was in constant communication with the Navy Department through the naval wireless telegraph stations.

#### **Description of the Modern Battleship.**

The modern first-class battleship is a fighting machine of huge proportions and enormous power, offensive and defensive. A statement of its details will show some of the reasons for its great cost.

Battleships like the "Connecticut," the flagship of the Atlantic fleet, and her sisters, the "Louisiana," "Vermont," "Minnesota," and "Kansas" are 450 feet long, 77 feet in breadth, of 25 feet draft, 16,000 tons normal displacement and 18 knots (or 21 miles) speed. The larger ships authorized and now being rapidly constructed are of 20,000 tons displacement. They are 510 feet long, 85 feet in breadth, of 27 feet draft, 21 knots (24 miles) speed, with ten 12-inch rifles, fourteen 5-inch rifles, two submarine torpedo tubes, and numerous rapid-fire and machine guns. A crew of 55 officers and 878 men is required to operate the guns, engines and machinery of such a battleship, of 25,000 horse power, of railroad speed, fitted to burn both coal and oil under her boilers, carrying 2,500 tons of coal supply, and nearly 400 tons of fuel oil. These vessels will be able to steam from our Pacific coast to Manila without recoaling.

The main armor belt—the heaviest armor of the ship—of strongest steel plates, with specially hardened faces, protects engines, boilers and magazines. A projectile passing through this armor belt would probably inflict greater damage than at any point above. Its position in our vessels is such as to provide the greatest protection to the most vital parts of the ship. The secondary armor belt, above this main armor belt, furnishes protection as far as possible to the hull structure, the lighter battery, and its gunners. The heavy 12-inch guns, their turrets, ammunition hoists, etc., are specially protected by armor practically equal to the main belt. A projectile piercing the armor above the main armor belt would inflict much less injury than one piercing at or below the water line; therefore, the thickest armor is placed at and more below than above the water line. In our newer battleships a load of 60 to 70 tons sinks the ship about one inch in the water. The capacity of the "Louisiana's" coal bunkers is 2,400 long tons, corresponding to about three feet of immersion of the ship. The location of the main armor belt of our battleship is such as to secure the best possible protection to vital parts of the ship under average, or normal, conditions of load, and consequently of immersion.

The opinions of our own and foreign designers and officers of greatest experience and distinction are in substantial agreement as to the location of the main armor belt on our ships. Indeed, if greater weight of armor could be added, the lower edge of the main armor belt would be placed lower rather than higher. It is the general opinion of those qualified to know that in personnel and material the Navy of the United States is not inferior to that of any foreign naval power, ship for ship of like age and tonnage.

#### **Power of a Modern 12-Inch Gun.**

It is forty-six years since the strictly American battle of the "Monitor" and "Merrimac" at Hampton Roads gave birth to modern navies. Since that battle, armor and guns have been constantly improved in quality and strength and power. Our naval 12-inch rifle, weighing over 60 tons, fires a steel projectile weighing 850 pounds, with a muzzle velocity of nearly 3,000 feet per second, and an energy of about 48,000 foot-tons. The work stored up in this single projectile, as it leaves the muzzle of the



gun, is twice as great as the total energy in all the projectiles fired from our most powerful war vessels forty-six years ago. Forty-eight thousand foot tons represents the work required to raise three 16,000-ton battleships one foot in one minute, or it is equal to the energy exerted by 48,000 tons falling one foot, or one ton falling 48,000 feet—nine miles. Its destructive effect is enormous, and it is to guard against this terrible projectile that the heaviest and most improved armor is employed.

It is the opinion of some of the most distinguished foreign authorities that our most recent designs of battleships now under construction are distinctly superior to the famous British "Dreadnought," the most recent British type, and the latest reports indicate that Great Britain is considering the development of new designs to surpass the "Dreadnought" and its successors of the same type.

### **The History of our New Navy—Twenty-Five Years of Development and the Results—the Cost.**

The history of the new navy was clearly and tersely told by Hon. George Edward Foss in an address on the naval appropriation bill on April 10, 1903, as follows:

We have recommended the building of two battleships of 20,000 tons each. They will cost in the neighborhood of \$10,000,000 each. In addition to that we have recommended the construction of ten torpedo-boat destroyers, each to cost about \$800,000, and eight submarines—a naval programme which will cost in the neighborhood of \$30,000,000, a little less than one-half of that which is recommended by the Secretary of the Navy and the General Board.

Mr. Chairman, I desire now to speak a little upon the cost of our navy. This is a great year in the history of the new navy. It was twenty-five years ago that we started in to build up the new navy under the administration of President Arthur. March 3, 1883, was the birthday of the new navy. That year, at that time, we authorized the Atlanta, the Boston, the Chicago, and the Dolphin, sometimes called the A, B, C, and D of the new navy. Since that time we have been going on, year after year, building cruisers, battleships, and destroyers, until today we have a good navy. Now, it may interest some of the members of this House to know how much this navy has cost, how much we have expended in the construction of these ships. The cost of all these battleships which we have authorized amounts to \$309,000,000. We have appropriated for the navy during the last twenty-five years \$1,244,657,000. Of this, as I say, \$309,000,000 have gone into the construction of the new ships, leaving a balance of \$935,000,000, which have gone to the maintenance of the naval establishment during the last twenty-five years. This has been an average per year of \$37,000,000 for maintenance. This is what the new navy has cost us.

March 3, as I said, 1883, was the birthday of the new navy. We started in then to build our first new ships, which were cruisers, but it was not until 1900 that we authorized the first battleship, which was the Indiana. That battleship had a tonnage of 10,228 tons. Its freeboard was about 11 feet and 6 inches. It has armor plate upon its sides 18 inches thick. Its speed was less than 16 knots. That was the first battleship that Congress authorized, and it cost in the neighborhood of about \$6,000,000.

Today we are building greater battleships—two of them, the Delaware and the North Dakota. They have each a tonnage of 20,000 tons. The armor plate upon their sides is only 9 inches thick, but better armor, and their freeboards are much higher—twice as high as those of the Indiana—all of which goes to show that during the last eighteen years there has been a mighty and tremendous development in the construction of the American battleship. The guns upon the Indiana were built to fire only once every five minutes, but upon the new battleships the large guns, the 12-inch guns, will each fire twice every minute if necessary. In fact, there is hardly anything which the hand of man has contrived during the last twenty-five years which has undergone such a tremendous revolution and change as the great battleship, the instrument of warfare, the instrument of the nation's defense. If you look at the character of our battleships first authorized by Congress and as we authorize them today, you will be struck by the fact that they illustrate the policy of Congress. The Indiana has a low freeboard of about 11 feet and 6 inches. What was the idea of the navy back at the time when the Indiana was built? Then we were building up this navy, but not with the idea of an aggressive navy. It was a navy of defense, and up to the time of the Spanish-American war—yes, up to the time of the naval appropriation bill of 1900—every authorization for an American battleship carried these words, "coast-line battleship." The policy of Congress had been, up to 1900, to build up what? A navy for defense, a navy to hug the shore line, a navy to defend the coast line. But the Spanish American war came on and it opened up a larger door of greater opportunity to this country. Then the policy of the American Navy and of Congress changed. What has it been from that time on? To build up a navy for defense; yes, but in recognition of another principle, that the best defense is the ability to make an aggressive offense; and so, from 1900, in every appropriation bill authorizing the building of an American battleship you will find those words "coast line" stricken out, and the authorization reads, "a seagoing battleship"—a battleship capable of fighting the enemy out on the high seas and not simply defending the coast line. So we have been building up this navy upon that theory since 1900—a navy for defense; yes, and a navy for offense if necessary.

### The Trip to the Pacific and its Value.

Now, Mr. Chairman, a few months ago, when the President of the United States gave the order that sent the fleet around the Horn out into the Pacific, we heard a great deal of criticism from the public press, particularly in the vicinity of New York. The fleet has passed around the Horn out into the Pacific and we hear no criticism now. A fleet of sixteen battleships, aggregating 223,000 tons, commanded and officered by 14,000 men, the greatest fleet of recent years, which could be duplicated only by England herself, has passed safely from the Atlantic around into the Pacific. We had criticism a few months ago; we have none now because everybody recognizes that it was a good order which the President made. What use is it to build up ships unless we have them in fleet formation? What use is it to build up a navy unless we send that navy out on long cruises where the men can be properly disciplined and trained? What do you think Rodjestvensky would have given if he could have made the cruise from Cronstadt to Tsushima in time of peace before he was compelled to do so in time of war? Do you not think his fleet would have been in better condition to meet the enemy in the Sea of Japan if he had made the cruise at least once before in time of peace. This cruise of the American fleet around the Horn has been very profitable to the American Navy, because it has disciplined and trained our personnel and our officers. They have been able to find out the weaknesses in our personnel, if any exist, and not only that, but it has been of great benefit also to the material of the American navy. They have learned whether our ships were good for anything or not, and the word just coming back to us from Magdalena Bay has been that our ships were even better than when they started on the cruise and the personnel more highly trained and better disciplined than when they first set sail from Hampton Roads.

Another thing which this cruise has called to the attention of the American people is that the American Navy is a national institution; that we are building up a navy for the protection of the Pacific as well as the Atlantic; that we are a two-oceans country; and necessarily, if the American Navy is to be the instrument of our national defense, we must have a two-ocean navy—a fleet upon the Pacific as well as a fleet upon the Atlantic. [Applause.]

This cruise of the Navy into the Pacific has called the attention of the country to another important thing. Wherever that fleet has gone it has been met at every port with the hospitality and the cordiality for which the people of the South American countries are famous. It has tended to cement in closer bonds the relations between our country and the South American Republics. It has given force and efficacy to the words of our able Secretary of State, who made a visit to the leading Republics of South America a few months ago, and it has bound those Republics to us by closer ties than any single thing which could have happened.

The people of South America recognize that we are bound together in one common destiny, and that the American Navy and the American people propose to maintain and uphold the Monroe Doctrine and have the ability to do so. Not only has the cruise been beneficial in that respect, but, Mr. Chairman, it has called the attention of the country also to the fact that we are moving westward in our national development. All our history has been along the shores of the Atlantic. Our war for national independence and our war for the freedom of the seas have been largely along the shores of the Atlantic. But we are passing now in our national development from the Atlantic westward to the Pacific. We are beginning to realize what William H. Seward said on the floor of the American Senate fifty years ago, that the Pacific Ocean, its islands and its shores and the great region beyond would some day be the chief theatre of events in the world's great hereafter.

### Naval Strength.

The naval strength of Great Britain is 58 battleships and 38 cruisers, her battleships averaging 14,900 tons. The United States has 29 battleships and 15 cruisers, our battleships averaging 14,000 tons. France, with 27 battleships and 23 cruisers, has battleships averaging 13,667 tons. Germany's 28 battleships average 12,820 tons. Japan's 15 battleships average 15,467 tons, nearly 1,100 tons heavier vessels, on an average, than our heaviest 15 battleships now in the Pacific. The relative naval strength of the United States in battleships and armored cruisers is second only to Great Britain. The total tonnage of battleships and armored cruisers as compiled by Mr. Pitman Pulsifer in the Navy Year Book, 1907, is as follows:

	Battleships.		Cruisers.		Totals.	
	No.	Tonnage.	No.	Tonnage.	No	Tonnage.
Great Britain	58	867,200	38	468,350	96	1,335,550
United States	29	406,116	15	186,545	44	592,661
France	27	369,233	23	220,982	50	590,215
Germany	28	359,566	10	113,528	38	473,094
Japan	15	232,844	14	156,311	29	389,155
Russia	16	210,899	6	63,166	22	274,065
Italy	12	152,846	10	78,513	22	231,359
Austria	6	73,800	3	19,020	9	92,820

The addition of the larger battleships, for two of which the preceding Congress has appropriated, will rapidly increase our average tonnage per battleship.



# *War ship tonnage of the principal naval powers.*

Number and displacement of war ships, built and building, of 1,000 or more tons, and of torpedo craft of more than 50 tons.

Type of vessel.	Great Britain.				France.				United States.				Germany.				Japan.				Russia.			
	Built.		Building.		Built.		Building.		Built.		Building.		Built.		Building.		Built.		Building.		Built.		Building.	
	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.
Battleships, first class-----	52	753,650	6	113,550	18	227,420	6	110,100	25	334,146	4	72,000	22	256,067	6	97,964	11	152,548	2	38,950	5	62,600	4	58,600
Coast-defense vessels-----	34	402,000	4	66,350	11	65,800	3	41,644	11	45,334	1	14,500	8	32,378	2	35,200	3	18,786	2	29,200	4	21,380	2	16,000
Armored cruisers-----	18	176,250	3	24,403	3	24,403	3	41,644	11	142,945	1	14,500	8	78,003	2	35,200	11	108,900	2	29,200	5	54,200	2	16,000
Cruisers, above 6,000 tons-----	44	196,880	1	3,300	13	52,549	1	3,750	5	48,809	1	3,750	1	5,960	2	13,130	2	13,130	1	4,100	7	46,400	1	16,000
Cruisers, 6,000 to 3,900 tons-----	24	51,370	10	20,540	10	20,540	1	3,750	17	68,870	1	3,750	19	76,463	6	21,672	9	34,727	1	4,100	1	3,100	1	16,000
Cruisers, 3,000 to 1,000 tons-----	144	55,835	9	8,891	42	12,939	23	8,835	16	21,478	5	3,500	17	37,620	11	7,370	6	13,538	2	2,900	7	8,800	1	16,000
Torpedo-boat destroyers-----	48	8,182	23	6,186	256	24,206	10	979	32	5,615	7	2,142	42	7,639	11	7,370	55	19,824	2	762	93	33,834	4	2,420
Torpedo boats-----	42	10,908	18	5,828	44	7,252	50	20,206	12	1,718	7	2,142	1	180	2	360	63	6,312	2	626	37	6,831	6	2,077
Submarines-----																	8	900	2	626	25	3,735		
Total tons built and total tons building-----		1,665,975		204,099		614,453		181,835		670,596		95,842		523,053		162,566		368,665		76,233		340,943		79,097
Total tons built and building		1,859,174				796,288				766,488				685,619				444,903				320,040		

\*Battleships, first class, are those of (about) 10,000 or more tons displacement.

†Includes smaller battleships and monitors.

‡All unarmored war ships of more than 1,000 tons are, in this table, classed according to displacement as cruisers. Scouts are considered as cruisers in which battery and protection have been sacrificed to secure extreme speed. The word "protected" has been omitted because all cruisers except the smallest and oldest now have protective decks.

N. B.—The following vessels are not included in the tables:

Those over twenty years old, unless they have been reconstructed and rearmcd since 1900.

Those not actually begun, although authorized.

Transports, colliers, repair ships, torpedo depot ships, converted merchant vessels, or yachts.

Vessels of less than 1,000 tons, except torpedo craft.

Torpedo craft of less than 50 tons.



*Relative order of war ship tonnage.*

At present.		As would be the case were vessels building now complete.	
Nation.	Tonnage.	Nation.	Tonnage.
Great Britain.....	1,655,075	Great Britain.....	118,350
United States.....	670,596	France.....	284,778
France.....	614,453	United States.....	320,040
Germany.....	523,033	Germany.....	444,903
Japan.....	368,665	Japan.....	685,619
Russia.....	240,943	Russia.....	766,488
Italy.....	220,308	Italy.....	796,288
Austria.....	114,250	Austria.....	1,859,174

*Appropriations for the naval establishment since the beginning of the new Navy.*

Year and Congress.	Annual.	Additional.	Total.
1883 (47-2).....	\$14,819,976.80		\$14,819,976.80
1884 (48-1).....	15,894,434.23	\$388,860.79	16,782,635.02
1885 (48-2).....	14,980,472.59	1,272,447.42	16,252,920.01
1886 (49-1).....	15,070,837.95	981,812.93	16,052,650.88
1887 (49-2).....	16,480,907.20		16,480,907.20
1888 (50-1).....	25,767,318.19	496,306.57	26,263,654.76
1889 (50-2).....	19,942,835.35	2,208,152.03	22,150,937.38
1890 (51-1).....	21,692,510.27	573,553.35	22,266,063.62
1891 (51-2).....	24,136,035.53	1,193,886.47	25,329,922.00
1892 (52-1).....	31,541,654.78	123,195.92	31,664,850.70
1893 (52-2).....	23,543,385.00	67,872.99	23,611,257.99
1894 (53-2).....	22,101,061.38	290,069.61	22,391,124.99
1895 (53-3).....	25,327,126.72	148,235.85	25,475,362.57
1896 (54-1).....	29,416,215.31	1,109,469.12	30,615,714.43
1897 (55-1).....	30,562,660.95	658,233.62	31,220,894.57
1898 (55-2).....	33,003,234.19	92,298,741.59	125,301,975.78
1899 (55-3).....	56,098,783.68	6,449,009.38	62,547,793.06
1900 (56-1).....	48,099,969.58	5,482,801.32	53,582,770.90
1901 (56-2).....	65,140,916.67	4,375,858.78	69,516,775.45
1902 (57-1).....	78,101,791.00	6,280,760.80	84,382,551.80
1903 (57-2).....	81,876,791.43	2,795,257.30	84,672,048.73
1904 (58-2).....	97,505,140.94	6,127,974.46	103,633,115.40
1905 (58-3).....	100,336,679.94	15,084,317.81	115,420,997.75
1906 (59-1).....	102,091,670.37	2,417,049.56	104,508,719.93
1907 (59-2).....	98,958,507.50	734,790.82	99,693,298.32
1908 (60-1).....	122,662,485.47	7,333,521.60	129,996,007.07
Total.....	1,215,165,462.92	159,481,580.09	1,374,647,037.01

The "additional" appropriation for 1896 was appropriated in two sessions of Congress—(54-1) and (54-2).

The "additional" appropriation for 1898 includes \$50,000,000, which was appropriated for "national defense."

**The United States has not the slightest wish to establish a universal protectorate over other American States, or to become responsible for their misdeeds.—From President Roosevelt's The Monroe Doctrine, American Ideals, p. 248.**

**Nothing strikes a deadlier blow at liberty than the insidious appeals made in her name in times of public excitement.—Postmaster-General Cortelyou on Lincoln's Influence on American Life.**

**We ask for a great navy, we ask for an armament fit for the nation's needs, not primarily to fight, but to avert fighting. Preparedness deters the foe and maintains right by the show of ready might without the use of violence.—From President Roosevelt's "Washington's forgotten maxim," American Ideals, p. 288.**

**Protection saves to the world the useless expense and labor of shipping products from one country to another and turns these into productive sources of wealth.—Judge William Lawrence, of Ohio, in the American Economist.**

**Plans have been suggested for the migration of the negroes to some other country, where they would live by themselves and grow up by themselves, and have a society by themselves, and create a nation by themselves. Such a suggestion is chimerical. The negro has no desire to go, and the people of the South would seriously object to his going.—Hon. Wm. H. Taft, at Plymouth Church, Brooklyn.**

*Summary of vessels in the United States Navy June 30, 1908.*

Type.	Fit for service, including those under repair.	Under construction.	Authorized.	Unfit* for sea service.	Total.
First-class battleships	25	4	2		31
Second-class battleships	1				1
Armored cruisers	12				12
Armored ram	1				1
Single-turret harbor-defense monitors	4				4
Double-turret monitors	6				6
Protected cruisers	22				22
Unprotected cruisers	3				3
Scout cruisers	3				3
Gunboats	9				9
Gunboat for Great Lakes (not begun)			1		1
Light-draft gunboats	3				3
Composite gunboats	8				8
Training ship (Naval Academy), sheathed	1				1
Training ships	2				2
Training brigantine	1				1
Special class (Dolphin, Vesuvius)	2				2
Gunboats under 500 tons	12				12
Torpedo-boat destroyers	16	5	10		31
Steel torpedo boats	35				35
Wooden torpedo boats	1				1
Submarine torpedo boats	12	7	8		27
Iron cruising vessels, steam	3				3
Wooden cruising vessels, steam	5			4	9
Wooden sailing vessels	5			2	7
Tugs	42	2			44
Auxiliary cruisers	5				5
Converted yachts	22				22
Colliers	15	2	5		22
Transports and supply ships	10				10
Hospital ship	1				1
Receiving ships	5			5	10
Prison ships	2			1	3
<b>Total</b>	<b>294</b>	<b>20</b>	<b>26</b>	<b>12</b>	<b>352</b>

*Expenditures on vessels under construction to March 31, 1908.*

Michigan	\$2,768,430.65	Torpedo-boat destroyer No. 18	\$5,375.74
South Carolina	3,098,597.62	Torpedo-boat destroyer No. 19	38,013.39
Delaware	1,443,470.31	Torpedo-boat destroyer No. 20	95,286.52
North Dakota	1,383,937.09	Torpedo-boat destroyer No. 21	95,169.00
Montana	4,386,178.3	Submarine torpedo boats	337,262.31
Vestal	925,090.08	Cuttle Fish	150,908.13
Prometheus	373,098.12	Tarantula	177,216.86
Patapsco	112,241.64	Cumberland	452,247.69
Patuxent	102,620.07	Intrepid	403,930.31
Octopus	204,924.16		
Viper	191.46		
Chester	1,568,620.03		
Birmingham	1,433,977.08		
Salem	1,433,327.32		
Torpedo-boat destroyer No. 17	34,500.71	<b>Total</b>	<b>21,214,886.50</b>

Amount expended under increase of the Navy appropriations on all vessels other than those above named (including \$2,500,000, approximate cost of equipage of monitors and torpedo boats), \$45,500,721.20.

The present business system of the country rests on the protective tariff and any attempt to change it to a free trade basis will certainly lead to disaster.—Hon. Wm. H. Taft, at Columbus, Ohio.

The representative government that has served us well for 130 years has not been for Mr. Bryan sufficiently expressive of the will of the people. We must call upon fourteen million electors to legislate directly. Could any more burdensome or inefficient method be devised than this? I believe that the referendum under certain conditions and limitations in the subdivisions of a State on certain issues may be healthful and useful, but as applied to our national government it is entirely impracticable.—Hon. Wm. H. Taft, at Columbus, Ohio.

*Cost of all vessels of the new Navy.*

STATEMENT SHOWING COST OF EACH COMPLETED BATTLESHIP, ARMORED CRUISER, PROTECTED CRUISER, AND UNPROTECTED CRUISER BUILT UNDER APPROPRIATIONS FOR INCREASE OF THE NAVY TO MARCH 31, 1908.

	Hull and machinery, including armor.	Equipage including armament.	Total
<b>BATTLESHIPS (26).</b>			
Texas.....	\$3,638,284.99	\$533,836.50	\$4,202,121.49
Indiana.....	5,333,708.05	649,663.93	5,983,371.98
Massachusetts.....	5,401,844.97	645,272.98	6,047,117.95
Oregon.....	5,911,021.99	661,010.86	6,575,032.76
Iowa.....	5,162,587.12	708,619.20	5,871,206.32
Kearsarge.....	4,429,800.69	613,700.99	5,043,591.68
Kentucky.....	4,418,044.99	580,921.44	4,998,119.43
Alabama.....	4,077,010.00	558,810.13	4,665,820.22
Wisconsin.....	4,162,617.53	551,276.75	4,723,894.28
Illinois.....	4,073,429.26	517,979.56	4,621,408.82
Maine.....	4,566,642.69	814,439.09	5,381,081.78
Missouri.....	4,438,925.98	819,335.47	5,258,260.55
Ohio.....	4,475,180.32	790,129.39	5,265,309.71
Connecticut.....	6,369,244.26	1,323,875.12	7,693,119.38
Kansas.....	6,163,380.69	1,181,748.68	7,347,129.37
Louisiana.....	6,052,624.16	1,282,962.33	7,335,586.49
Minnesota.....	6,127,032.63	1,089,451.46	7,216,544.09
Vermont.....	6,135,763.15	1,299,984.88	7,435,748.03
Georgia.....	5,538,776.57	985,731.30	6,524,507.87
Nebraska.....	5,606,027.94	1,010,468.56	6,616,496.50
New Jersey.....	5,366,355.21	1,072,922.98	6,439,278.19
Rhode Island.....	5,343,450.55	1,092,023.88	6,453,474.43
Virginia.....	5,483,089.56	1,051,393.05	6,535,082.61
New Hampshire.....	5,140,130.42	a1,250,000.00	6,390,130.42
Idaho.....	4,351,092.64	a1,000,000.00	5,351,092.64
Mississippi.....	4,438,778.19	a1,000,000.00	5,438,778.19
Total.....	132,207,543.65	23,218,261.53	155,425,805.18
<b>ARMORED CRUISERS (11).</b>			
Brooklyn.....	3,944,820.73	478,969.36	4,423,790.00
New York.....	3,897,840.32	448,802.07	4,346,642.39
Colorado.....	4,831,498.00	869,201.59	5,691,699.59
Pennsylvania.....	4,855,881.02	850,193.65	5,706,374.67
Maryland.....	4,874,500.11	808,019.89	5,682,520.00
West Virginia.....	4,885,072.48	843,810.85	5,728,913.33
Tennessee.....	5,193,678.07	950,755.36	6,144,433.43
Washington.....	5,190,650.60	955,519.36	6,018,625.90
California.....	4,678,083.32	a950,000.00	5,528,483.32
North Carolina.....	4,434,459.80	a950,000.00	5,384,459.80
South Dakota.....	4,647,314.24	a850,000.00	5,497,314.24
Total.....	51,433,708.69	8,846,602.13	60,280,310.82
<b>PROTECTED CRUISERS (18).</b>			
Newark.....	1,439,383.20	390,735.00	1,830,117.20
Baltimore.....	1,554,483.94	422,245.41	1,976,729.35
Philadelphia.....	1,561,392.47	397,267.91	1,958,660.38
San Francisco.....	1,738,257.82	397,045.49	2,135,303.31
Olympia.....	2,484,027.54	495,255.84	2,979,283.38
Cincinnati.....	2,023,326.91	348,577.61	2,371,904.52
Raleigh.....	1,867,934.32	331,795.48	2,199,729.80
Columbia.....	3,461,960.26	447,051.00	3,909,011.26
Minneapolis.....	3,403,707.07	446,280.37	3,849,986.44
Tacoma.....	1,113,395.45	285,386.30	1,398,781.75
Cleveland.....	1,038,320.33	276,488.77	1,374,809.10
Denver.....	1,135,853.66	278,914.08	1,414,767.74
Des Moines.....	1,156,256.68	269,994.74	1,426,101.42
Chattanooga.....	1,378,445.75	308,148.45	1,686,594.20
Charleston.....	3,117,234.16	664,176.84	3,781,411.00
Galveston.....	1,426,850.73	309,923.50	1,736,774.23
Milwaukee.....	3,171,668.53	660,831.33	3,832,502.86
St. Louis.....	3,173,324.35	644,408.09	3,817,732.44
Total.....	36,305,822.17	7,374,388.21	43,680,210.38
<b>UNPROTECTED CRUISERS (3).</b>			
Marblehead.....	1,061,426.30	229,736.63	1,291,162.93
Montgomery.....	1,050,933.54	216,176.17	1,267,109.71
Detroit.....	1,004,711.65	228,328.25	1,233,039.90
Total.....	3,117,071.49	674,241.05	3,791,312.54

a Estimated.



# WORK OF THE POST OFFICE DEPARTMENT.

The business of the Post Office Department is a reliable index to the general condition of the country and the postal receipts for the last fifteen years show conclusively that our people have been prosperous and our business more active since the return of the Republican party to power than ever before in the history of the country. The following table gives the figures of receipts for the years indicated:

(Dem.)	1893.....	\$75,896,933.16
(Dem.)	1894 .....	75,080,479.04
(Dem.)	1895.....	70,933,128.19
(Dem.)	1896.....	82,499,208.40
(Dem.)	1897.....	82,665,462.73
	1898.....	89,012,618.55
	1899.....	95,021,384.17
	1900.....	102,354,379.29
	1901.....	111,631,193.39
	1902.....	121,848,047.26
	1903.....	134,224,443.24
	1904.....	143,582,624.34
	1905.....	152,826,585.10
	1906.....	167,932,782.95
	1907.....	183,585,005.57

The increase of nearly \$108,000,000.00 in fifteen years shows a truly marvelous development.

## Rural Delivery.

The responsibility for the permanent introduction of the wonderful system of delivery of mail to rural communities in the United States belongs to the administration of President McKinley and its continuation and remarkable development to the administration of Roosevelt. The service is now in operation on 39,270 routes, serving 16,000,000 people.

In 804 counties the service is so complete that all of the people outside of cities can receive their mail by rural letter carriers.

During the fiscal year beginning July 1, 1903, the cost of the service will exceed \$35,500,000.

The material benefits which it has brought to rural communities are incalculable. Subscriptions to newspapers, both local and metropolitan, have increased enormously, and farmers are able to keep advised of the daily market quotations and to sell their products to the best advantage. The increased circulation of newspapers and periodicals has made the service of great educational value, broadening the minds of the people through a better knowledge of the affairs of the outside world and engendering a desire for intellectual development. As a further result of the installation of the rural delivery service thousands of miles of roads have been improved, thus increasing farm values in some cases twenty-five per cent. No other agency has contributed so largely to making farm life more attractive.

## The Investigations and Their Result.

None of the reforms following the investigation of 1903 was more important or resulted in greater benefit to the general public than that which was effected in the office of the Assistant Attorney General, in pursuance of which many hundreds of fraudulent schemes and lottery enterprises have been suppressed. Most of these schemes had grown up and flourished in consequence of the failure to enforce the statutes authorizing their suppression, and through their operation losses aggregating many millions of dollars were annually suffered by people of small or moderate means and to whom such losses meant peculiar hardship. The strict and systematic enforcement of the

statutes empowering the Postmaster General to exclude from the mails matter of every kind relating to fraudulent schemes and lotteries and to withhold from delivery mail addressed to persons or concerns carrying on such enterprises, has reduced the number of such schemes to the minimum and protected the public from enormous losses.

#### **Millions Saved in Mail Transportation.**

The pay for railroad mail service is fixed by statute and based upon the average daily weight of mails.

Since 1873 it had been the uniform practice to use the number of week days in the weighing period as the divisor for determining the average daily weight in accordance with the construction put upon the words "working days." Postmaster General Meyer issued an order on June 7, 1907, following one issued in March, 1907, by Postmaster-General Cortelyou, having the same object in view, which provided that the whole number of days included in the weighing period should be used as a divisor for obtaining the average weight per day. It is estimated that the saving will approximate \$4,619,285 annually.

From October 1, 1908, the letter postage between this country and England, Ireland, Scotland, and Wales is two cents an ounce instead of 5 cents an ounce. This reduction is expected to result ultimately in an increase of receipts because it has always been found that a reduction of the letter rate resulted finally in increasing the revenue. The lower postage will lead also to freer commercial intercourse. Our manufacturers are increasing their sales in the United Kingdom and must rely to a great extent upon the mails for orders and additional trade. Further, it will be a great boon to our adopted English-speaking citizens and their connections in this country, particularly those of limited means, as it will enable them to keep up correspondence with their relations and friends in the old countries at domestic rates.

#### **Postal Savings Banks.**

The leading governments of the world have postal savings banks, with the exception of the United States and Germany, the latter country, however, having a splendid system of municipal savings banks. Since 1872 the introduction of such a service has been discussed in the United States, and the measure now before Congress which was favorably reported on by the Senate Committee on Post Offices and Post Roads will become a law at the next session. Its enactment is desired in order to encourage economy and thrift among the wage-earners and people of moderate means, and to afford a place of deposit, free from any possibility of doubt or suspicion, for small savings, which in the aggregate amount to vast sums of money and which are otherwise hoarded and kept out of circulation through ignorance or lack of confidence.

More than seven million immigrants landed in this country during the last ten years, and nearly a hundred million dollars were sent out of the country last year by these people. In many instances it has been found that, for want of postal savings banks, money orders are being bought payable to the purchaser, good for one year.

#### **Improved Conditions.**

It has been the aim of the Post Office Department to improve the conditions under which its employees work, namely:

By shortening the hours of labor.

By basing promotions entirely on merit rather than favoritism, and by securing legislation that provides for annual increases in salaries as the employees prove their worth.

The postal service itself has been further improved by the introduction of better business methods. Without materially increasing the expense, the Department has secured more commodious and better equipped post office quarters throughout the country, to the greater convenience of the people and advantage to the service.

#### **Appointment of Postmasters.**

The policy of retaining in office postmasters who are performing their duties satisfactorily has resulted in improving the efficiency of the service.





## DEPARTMENT OF THE INTERIOR.

It is now fifty-nine years since the Department of the Interior was established, being called in the enacting clause of the Act the "Home Department." Since its organization there have been added some very important Bureaus, notably the Geological Survey, the Reclamation Service and the Bureau of Education. Many other minor duties have also been added until it is now one of the largest of the Executive Departments.

During this period of more than half a century of gradual growth the procedure crystallized into many hard and fast rules and some years ago the time came for definite action toward a better adaptation to modern methods.

This has been one of the most important duties of the Secretaries during this Administration, and the present Secretary has given this phase of departmental work very earnest and thorough attention, with the result that there has been a remarkable improvement in methods in all the bureaus.

Plans have been adopted greatly facilitating the work of the Department, which is now practically up to date in all its branches. It may be truthfully said that the Department is to-day a practical business organization, daily improving in efficiency. The vast volume of business handled by this Department is now disposed of without unnecessary delay and the enormous interests intrusted to its various bureaus are adjusted with the same care as heretofore.

This Department was fittingly designated in the original Act as the Home Department, because in many ways its operations affect more closely the individual citizen than those of any other Department.

Through the Land Office it has provided homes for millions of people and this great work is still going on.

Through the Geological Survey it is studying the public domain, classifying the land and investigating its resources.

Through the Reclamation Service it is making still more effective the operations of the public land laws for establishing homes for the citizens of our country.

Through the Indian Office it is not only caring for these wards of the nation, but is also providing for the use of large areas of waste land which the Indians can not profitably use.

Through the Patent Office it is affording opportunity for the development of the natural inventive genius of our people to advance the manufacturing interests and the comfort of home life.

Through the Pension Office it is giving proper care and assistance to the brave men who fought the battles of our country and to their widows and dependent heirs.

Through the Bureau of Education it is reaching down to the very foundation of our Nation's prosperity and promoting greater efficiency in our public school system and other educational institutions.

Truly it is a Home Department, and its influence is felt from many sides in every home in the land.

### General Land Office.

The administrative policy of the General Land Office for the past eight years has been to preserve the public lands in such a manner that as many citizens as possible may obtain homes, farms, and mines thereupon. The utmost vigilance has been maintained to prevent their unlawful acquirement, either by corporations or individuals. Suspensions made years ago which were not justified or which have served their purpose

have been revoked and during the past year some 2,000,000 acres of such lands have been restored to the public domain. Every effort has been made to bring up arrearages of work to the end that bona fide homestead and other claimants may secure their title as soon as possible, while at the same time unlawful entries and claims have been vigorously proceeded against. During the past five years fences unlawfully inclosing public lands have been removed from 3,518,583 acres, and suits have been recommended or other action taken to remove such inclosures from an additional 3,763,186 acres. During the past eight years \$516,501.52 have been collected by the Department for timber trespasses upon the public lands and cases have been referred to the Department of Justice for legal proceedings involving trespasses of \$3,007,621.94, of which amount there has been collected through judgment and compromise \$510,681. During the past eight years there have been secured in public land cases involving perjury, subornation of perjury, conspiracy, forgery, false affidavits, timber trespasses, and unlawful inclosures: 3,096 indictments; 871 convictions; 251 prison sentences; \$182,737 in fines, and there have been 577 acquittals; the remaining indictments are awaiting trial.

During the same period 7,874 fraudulent land entries have been canceled, thereby restoring to the public domain and to entry by citizens over 1,259,840 acres. From July 1, 1902, to May, 1908, there have been approved and patented 275,333 homestead entries, covering about 44,053,280 acres.

The interest manifested by the people in securing homes on the public domain is shown by the fact that since July 1, 1906 ( $1\frac{3}{4}$  years), 171,047 original homesteads and desert land entries have been made covering more than 28,375,400 acres. Coal and timber lands have been disposed of, so far as existing laws permit, in such a way as to place them in the hands of citizens who will in good faith use and develop them in such a way as to avoid monopoly and tend to the general good.

What was known as the Forest Reserve Lieu Act was passed for the relief of settlers whose claims were found to be within forest reservations, but it was found that instead of benefiting the settlers the law was being used by speculators to acquire large tracts of valuable public lands containing timber, springs and other resources of the public domain, which should be reserved for *bona fide* settlers; accordingly in 1905 the Republican Administration repealed the law.

Many homestead settlers were from various reasons unable to prove up on their claims and complete title thereto and under the existing laws the making of an entry exhausted their right and prevented their obtaining other homes on the public domain; accordingly in 1904 and in February, 1908, acts were recommended by the Department and passed by Congress giving to those who had lost, forfeited, or abandoned their homes the right to make second homestead entries in all cases where the original entries were not canceled for fraud or relinquishments sold. This will enable a great many citizens to find new homes upon the public land and large numbers are taking advantage of this beneficial legislation.

Within the next two years between 4,000,000 and 5,000,000 acres of public lands will be opened to settlement. Under the new plan adopted by the Land Office the drawings will be conducted in such a manner that every one who is eligible to take a homestead can register his or her name and stand an equal chance of securing the best claim in the reservation. This plan has been found to work admirably in the recent opening of several Indian reservations.

Under regulations adopted a number of years ago persons desiring to cut timber from public lands for their own use were required to file applications and secure permission from the Secretary of the Interior before they could cut the timber, no matter how urgent the need. Last year the Department adopted new rules whereby such persons can file their applications directly with a local field officer. The application is made special, and the field officer, if the application is found to be in good faith, can immediately permit cutting.



**Guarding the Nation's Coal.**

For the past few years there has been a widespread belief that the public coal lands were being improvidently disposed of and were falling into the hands of corporations and others who were able to control the output of the mines and fix their own prices on the coal. It was also found that large tracts were being obtained unlawfully under other than coal laws. In 1907 the existing laws were examined, and regulations were adopted to more fully carry out the intent of the law that coal lands should pass in limited quantities to good faith claimants, who had a personal interest in the lands and the development of coal. In order that coal areas might be defined and the kind and value of the coal more accurately known by the Department and by the people the Secretary of the Interior directed the Geological Survey to begin the work of classifying and valuing the public coal lands. The Administration is fully convinced that the present acreage, 160 acres, which may be entered under the coal land laws is too small to warrant a citizen in expending the money necessary for the equipment and operation of larger mines. The Department has therefore recommended, and Congress now has under consideration, legislation designed to permit citizens to enter a larger area of coal land, the entries however to be safeguarded so that the land cannot be made the subject of any combination in the form of an unlawful trust or conspiracy or in restraint of trade in the mining or sale of the coal.

This method of preventing monopoly has already been adopted in the Hepburn law passed by Congress this year, and relating to Alaska. The Alaska pioneers had discovered large bodies of valuable coal in the interior of Alaska and had under existing laws located and opened mines thereon, but were under those laws limited to such a small area that the mines could not be worked at a profit nor could the locators, in view of the remoteness of the lands, the price of supplies and labor, afford to install the necessary machinery for the mining from such a small claim. The Interior Department recommended early in 1908 that good-faith claimants owning adjoining claims in Alaska should be allowed to form partnerships or associations and combine sixteen of the small claims into one entry and patent. This enables them to obtain title and work their mines to furnish coal for local consumption and for the Pacific Coast States. The United States has under the law the right to purchase as much coal as may be needed from the mines for its Army and Navy at reasonable prices, and every safeguard possible has been placed in the law to prevent monopolies, unlawful trusts or combinations designed to restrain sale or mining of the coal. This legislation is of the utmost importance to the people, and the Administration deserves great credit for providing reasonable laws and regulations whereby honest citizens may obtain coal mines and where at the same time the rights of the public are safeguarded with respect to such a vital necessity as the coal supply.

**Indian Allotments.**

Since the 30th of June, 1904, more than 15,000 Indians have received allotments of lands in severalty, covering approximately 2,500,000 acres of land.

These allotments have been made, generally, either under what is known as the "Dawes Act," or acts containing similar provisions. The object of the law is to break up the tribal system and community property by substituting individual ownership and citizenship.

Under the Dawes Act the allottee was secured in the possession of his allotment for a period of twenty-five years, as the Act provided that the land should be held in trust by the United States for that period and at the end conveyed to the allottee or his heirs in fee.

He was, however, compelled to assume the burdens of citizenship upon the approval of his allotment, and thus many Indians have become full-fledged citizens without any comprehension of the privileges or responsibilities of citizenship.



The conditions arising under this provision of the law made plain the need of some modification which would enable the Indian Office to manage the affairs of the helpless class with undisputed authority, but, on the other hand, to remove from the roll of wards and dependants the large and increasing number of Indians who no longer need supervision by that Bureau.

The Act of May 8, 1906 (known as the "Burke Act"), meets the requirements by postponing the acquisition of citizenship until the termination of the trust period and declaring that until the allottees acquire citizenship they shall be subject to the exclusive jurisdiction of the United States. It provides for those who are competent to manage their own affairs by conferring authority on the Secretary of the Interior to terminate the trust period and issue a fee simple patent whenever he is satisfied of such competency.

Under this Act 2,206 patents in fee have been issued.

During this period 23,308 leases of allotted lands for farming, grazing, and business purposes have been entered into and approved.

By these leases temporary homes have been provided for thousands of white citizens and large areas, which otherwise would have lain idle and unproductive, have been put in cultivation.

#### **Tribal Lands—Permits for Grazing Stock.**

434 permits for grazing stock upon Indian tribal lands have been issued from which a revenue of \$984,422.80 has been received.

Tribal grazing leases covering 5,379,177.51 acres have been approved, the annual rental amounting to \$619,180.19.

These tribal funds are deposited in the Treasury to the credit of the respective tribes, and expended for their benefit or paid per capita to the members, in the discretion of the Secretary.

#### **Sugar Beet Farming.**

A paragraph in the Indian Appropriation Act of March 1, 1907, permits the Indians of the Fort Belknap Reservation in Montana to lease their lands, both allotted and tribal, but not to exceed 20,000 acres, for the culture of sugar beets and other crops in rotation, upon such terms, regulations, and conditions as shall be prescribed by the Secretary of the Interior, for a term not exceeding ten years.

Under this authority a contract has been executed with three responsible persons for a lease to them of 19,000 acres. By the terms of the lease the Indians are to plow and put under cultivation 5,000 acres, which has to be carefully worked over the first year to put in beets the next year. The Indians are to receive \$4.50 per ton for the beets. The lessees are to erect a factory for the manufacture of the beets into sugar, and take the product of the 5,000 acres each year. This will afford employment for the Indians and if they are able to cultivate all of the 5,000 acres will yield them a revenue of at least \$270,000 per annum.

#### **The Geological Survey.**

The United States Geological Survey, when organized in 1879, under a Republican administration, became a pioneer agency in the internal development of the country. The field covered in the varied work of this bureau is that of the mineral wealth of the nation. Its geologists have investigated the economic possibilities of the utmost corners of the land and by exhaustive studies of the larger mining districts have contributed directly to the working knowledge of the mine engineers and operators. Even in distant Alaska the work of the Geological Survey is recognized as of very great practical importance to the development of that young giant territory. The survey maps are not only eagerly sought by prospectors and miners, but they are in continual demand in all the great engineering enterprises. Here the Federal service has made its

best record, for its investigations and reports on Alaska are widely credited with being an important factor in the development of the large and increasing production of the precious and useful metals of the Territory.

The statistical work of the Survey in its reports on the production of the precious and useful minerals of the country is recognized as of the greatest value to the mining industry. No such comprehensive treatment of the subject of production and distribution of the mineral wealth of a country is found in the world as that of the United States Geological Survey.

Among other things, the Survey is constructing, at the rate of about 250 square miles a step, a great topographic map of the United States—a "mother map" of the country—and it is making one of these steps every third day. That is, it is issuing that often a topographic sheet which thus becomes a part of the big map. Over 1,700 of these sheets have already been engraved and about one-third of the United States has been covered. When completed this will be the greatest map in the world. Our topographic maps have become the models for the map-making bureaus of many foreign nations.

With one of these maps spread before him a man may trace the course of every stream, or accurately locate every mountain and hill, with the exact knowledge of their steepness and altitudes. The map is in effect a physical reproduction of the surface of the country, on a small scale. It is easy to see, then, its use not only to the engineer who may want to plan great irrigation or drainage systems or to determine the best route for 100 or 1,000 miles of railroad lines, but as well to the farmer or ranchman who wishes to drain the swampy corner of his farm or to lay out a wagon road between his ranch and that of his neighbor. The topographic survey, then, includes all the surface features, while the geologic survey adds information concerning not only the rocks and soils exposed to the surface, but indicates what is beneath and foretells with remarkable accuracy what excavations may encounter, to a depth of hundreds and even thousands of feet.

#### Hydrographic Surveys.

One of the important works of the Geological Survey is its study of the water resources of the country. Records of daily flow of streams have been collected at over 1,500 points throughout the United States for a period of years, in order to determine the average flow of the rivers. During the past year about 500 such stations have been maintained. Knowledge of floods, low stages and average discharge of rivers is essential if streams are to be utilized in power development, in irrigation and drainage and as contributing to inland navigation. These investigations of the Survey show conclusively that tens of millions of now wasted horsepower can be conserved and cheaply developed through the use of natural mountain reservoirs at the head waters, for flood storage. They show further that the use of these same flood-control reservoirs will save tens of millions of dollars annually through flood prevention, and still further that they will be of enormous aid to irrigation in the West and to navigation in the East through the letting down into the river channels the stored floods, during the low-water or irrigation periods.

The value of the topographic and hydrographic surveys in the development of the country in general has been very great; but a single striking example of their use from a government standpoint is seen in the successful work of the Reclamation Service. Taking as a basis these surveys, the Reclamation Service, immediately upon its organization, was able to pick out feasible projects and begin, not surveys and investigations, but actual construction work. The integrity of these great irrigation works rest upon the records of stream flows which the Geological Survey, thanks to the Republican legislative foresight, had collected for years previous to the passage of the irrigation act, and the brilliant and rapid achievement of that



service is due to the extent and thoroughness of these preliminary basic investigations.

And so with the drainage problem; should Congress enact a national drainage law to-day, the wisely provided preliminary work of the Geological Survey could be used as a basis for the immediate construction of a number of great swamp reclamation projects and the creation of many homes.

#### **For Prevention of Mine Accidents.**

The recent great mining disasters and the increasing number of coal mine explosions throughout the country, and other mine accidents, resulting in an appalling loss of human life, have aroused the country to the need for action to prevent or diminish, if possible, these horrors. In response to the urgent demand of both labor and capital, Congress at its last session appropriated \$150,000 to be expended by the Geological Survey in investigating this subject. A Division of Mine Accidents has been established and good results are expected, since statements already issued by the Survey show that mine accidents and the consequent loss of life have been greatly reduced in foreign countries, due to governmental investigations and study of the conditions affecting mining operations.

At an experimental station of the Survey being established at Pittsburgh under this appropriation, tests of the various dynamites and powders used in blasting coal will be made, in order to determine the safest explosives in the presence of fire damp, coal dust, etc. In connection with the station there will be an experimental mine, with drifts, headings, rooms, ladders, etc., which can be filled with smoke or gas and practical experiments made with life-saving apparatus. Miners will be taught how to wear this apparatus and how to rescue their comrades from the vapors should they become unconscious following an explosion. The results of the investigations will be published for the benefit of the State mine bureaus, operators and miners. Simple instructions will be printed, from time to time, in half a dozen languages.

#### **Coal Land Values Fixed.**

The development of internal resources has been the aim and the accomplishment of the present administration; but no more than has been prevention of wasteful and fraudulent exploitation of such resources. In no field of Republican guardianship of the people's rights does the wise statesmanship of the administration shine more brightly than in the management of the nation's coal supply. The government still owns between seventy and eighty million acres of known coal fields in the West. The common knowledge of the waste in the operation of the older coal fields as well as the monopolization of great coal-producing areas by corporations and syndicates desiring to hold without developing them or allowing others to develop them for the needs of the public, suggested to the administration an investigation of the Western fields where the government is still the major owner. This investigation quickly brought to light the fact that large areas of valuable coal lands had been acquired by corporations through gross fraud, perjury, and bribery, under agricultural land laws. A fearless interpretation of the coal land law itself recognized that the price which the Government had always charged for coal land, namely, \$10 and \$20 an acre (according to whether the coal lands lie within or without the 15-mile railroad limit) was only the minimum price. In spite of a veritable storm of protest, the President immediately withdrew from all entry 67,000,000 acres of Western public coal lands and the Geological Survey began at once the classification and valuation of this land, under regulations fixing the price at from the minimum of \$10 to \$20, to \$100 an acre. The effect of the President's withdrawal was not only to stop immediately the sale of public coal lands at an undervaluation, but it checked the gigantic frauds in acquiring such lands, under the homestead, desert, and other land laws.



In order, however, that legitimate operations might not be hampered unduly the work of classification has been prosecuted with great vigor and already over 50,000,000 acres of this withdrawn land have been classified and valued by the Survey and restored to public purchase. Valuations have been fixed from \$10 up to \$75 an acre. These valuations made by the coal geologists of the Survey are not the result of mere classification made in the Washington office, but of actual geologic field investigations, in the course of which the geologist examined each 40 acres, upon which he put a valuation as coal land. This economic work of the administration is not only securing to the government a more nearly adequate return for property of great value, but is preventing the monopolization of great areas of coal.

Of course, bitter opposition has developed in many instances where individuals and corporations were acquiring lands of great value at the low price of \$10 or \$20 an acre, or through fraud and perjury at \$1.25 per acre. The correction of the evil, however, has met generally with the hearty approval of the people of the country. An idea of the extent of the losses suffered by the Government may be deduced from the results of coal land classifications by the Geological Survey, in which the fact was developed that one coal company in a single coal field in a Western State had legally purchased 13,128 acres at the \$10 to \$20 an acre rate, while it had acquired 15,800 acres as "agricultural land," and of this last, 13,280 acres had absolutely no value for agriculture.

#### **Fuel and Structural Material Tests.**

A governmental activity for which Republicans may justly take great credit—one of the many results of the wise statesmanship and legislative foresight of the party—is the practical testing and experimental work of the Geological Survey. Congress first provided for these economic investigations of the natural products of the United States in 1905 and has appropriated a total amount of over a million and a quarter dollars; but the beneficial results from the work have been so great and far-reaching that had the appropriation been quadruple or even ten times this amount, the nation would have been reimbursed by the values saved. To cite one or two instances: An important result attained in fuel investigations is the establishment of the fact that the low-grade bituminous coals and lignites of the country, of which there are tens of millions of acres heretofore considered of but slight industrial value, can be converted into gas and used in the gas engine with more than double the efficiency attainable under the steam boiler. In other words, the discovery has doubled the value of these coals. This applies also to millions of tons of inferior coal which in mining operations is annually left underground and permanently lost.

The investigations also show that some of the peats, found in great abundance in the New England, North Central and Atlantic States, but heretofore considered of little value, may be used to advantage as a source of power in the gas producer, either for local farm purposes or for large power plants, and also that it is practicable and economical to make briquets, a superior and smokeless fuel, out of the millions of tons of slack and coal dust now wasted annually.

In the tests of structural materials, most important results have been attained. The increasing use of reenforced concrete has shown the great need of scientific information. These investigations have all been made for the benefit of the Government—Federal buildings and other engineering works, such as the great irrigation structures in the West, the Panama Canal construction, etc.—but here, as in the case of the fuel investigation, the general public is the greatest gainer from the results.

All of these scientific-economic investigations, experiments and tests of the Government, fostered, encouraged, and provided for by Republican legislation, should be continued and extended. Upon the economical development of our natural resources de-

pends in very large measure the continuance of our national supremacy and the prosperity of our people, and these evidences of wise statesmanship and forehanded legislation show that the party of progress can be relied upon, in the future as in the past, to carry out such policies, which, while under the strict wording of the appropriation acts are for the uses of the government, are in reality for the benefit of all the people of the country.

#### **The Reclamation Service.**

The Reclamation Act, which was signed on June 17, 1902, by President Roosevelt, is to-day generally recognized as one of the wisest laws ever enacted by Congress, as beneficent as it was necessary. It inaugurated a step exactly in line with the administration's broad policy of the conservation and development of the natural resources of the country, and is regarded as second only in importance to that other great Republican enactment—the Homestead law.

Under the provisions of the law, national irrigation already has become a most important factor in Western development, in the building up of commonwealths and prosperous agricultural communities. The economic value of the work cannot be measured in dollars and cents. Our unoccupied public lands, which belong to all of the people, are largely desert. To make them habitable is a national duty too obvious to be questioned. The future prosperity and growth of sixteen Western States and territories are linked inseparably with the development of irrigation. The desert reclaimed will support millions in comfort in homes of their own, thus providing a safety valve against the impending dangers of congestion of population in the older settled portions of the country. Conservative engineers estimate that at least twenty-five million acres of land now desert and uninhabited will be converted into small farms under the provisions of the reclamation law. This vast area, capable of supporting millions of people, will be brought into cultivation without entailing the loss of a single dollar to the national treasury, as the land reclaimed is assessed for the benefits received and the landowner must return to the Treasury the cost of reclamation.

The Reclamation Service, now a separate bureau of the Department of the Interior, has had charge of the engineering work from its inception. Notwithstanding the enormous area of country embraced in the arid States—two-fifths of the United States—the Service has already completed surveys and perfected estimates for twenty-six irrigation projects, and is engaged upon the construction of twenty-five of these. On a number construction work has progressed sufficiently to irrigate large areas which have been settled upon, and are now producing crops. No better evidence of the wisdom of the law, and the business-like and the practical methods of its administration could be submitted than the fact that homes are actually being made in large numbers on the land reclaimed, and the cost of the work is being returned by the settlers.

A summation of the work of the Reclamation Service to January 1, 1908, shows that it has dug 1,881 miles of canals, or nearly the distance from New York to Idaho. Some of these canals carry whole rivers, like the Truckee river in Nevada, and the North Platte in Wyoming. The tunnels excavated are 56 in number, and have an aggregate length of 13½ miles. The Service has erected 281 large structures, including the great dams in Nevada and the Minidoka dam in Idaho, 80 feet high and 650 feet long. It has completed 1,000 headworks, flumes, etc. It has built 611 miles of wagon road in mountainous country and into heretofore inaccessible regions. It has erected and in operation 830 miles of telephones. Its own cement mill has manufactured 80,000 barrels of cement, and the amount purchased in addition is 401,000 barrels. Its own sawmills have cut 3,036,000 feet B. M. of lumber, and 23,685,000 feet have been purchased. The surveying parties of the Service have completed topographic surveys covering 10,970 square miles, an area greater than the combined areas of Massachusetts and



Rhode Island. The transit lines had a length of 18,900 linear miles, while the level lines run amount to 24,218 miles, or nearly sufficient to go around the earth.

The diamond drillings for dam sites and canals amount to 66,749 feet, or more than 12 miles. To-day the Service owns and has at work 1,500 horses and mules. It operates 9 locomotives, 611 cars, and 23 miles of railroad, 84 gasoline engines and 70 steam engines. It has constructed and is operating 5 electric light plants. There have been excavated 42,447,000 cubic yards of earth and rock. The equipment now operated by the Service on force account work represent an investment of a million dollars.

This work has been carried on with the following force: Classified and registered service, including Washington office, 1,126; laborers employed directly by the Government, 4,448; laborers employed by contractors, 10,789, or a total of all forces of 16,363. The expenditures now total nearly \$1,000,000 per month. As a result of the operations of the Reclamation Service, eight new towns have been established, 100 miles of branch railroads have been constructed, and 14,000 people have taken up their residence in the desert.

#### **Pension Legislation of the Republican Party.**

During the last four years of this administration the work in the Pension Bureau has been brought up to date. A claim for pension is now taken up for action as soon as it reaches the files of the Bureau. Its early adjudication depends entirely upon the promptness with which the claimant furnishes the evidence called for by the office. If sufficient evidence be filed with the application for pension it is possible that a certificate may be issued to the pensioner within two weeks from the date the application is filed.

There has been a decrease of nearly \$700,000 in the expenses of conducting the affairs of the Bureau during the last four years, the expenses during the last year being the smallest since 1886. At one time the number of employees in the Pension Bureau was over 2,000. There has been a gradual reduction in the number of such employees, until at the present time there are less than 1,400. This reduction has been accomplished mainly by allowing the vacancies which occur through death, resignation, etc., to accumulate instead of filling them as they take place, thus avoiding the necessity for dismissals on this account.

Notwithstanding this reduction the number of certificates issued during the last twelve months is greater than during any previous twelve months since the establishment of the Pension Bureau, nearly 400,000 certificates being issued during the past year.

The Act of June 27, 1890, passed by a Republican Congress and signed by a Republican President, was the first disability pension law in the history of the world, granting to soldiers and sailors pensions for disability not proven to have been incurred in the service and line of duty. This was the most far-reaching pension legislation enacted after the close of the Civil War and recognized a higher obligation of the people to their disabled veterans than was ever before formulated into law. Previous to 1890 pensions for service in the Civil War were granted only to those who were wounded in the service or who had contracted some disability therein, and likewise pensions were granted only to widows, minor children, and dependent parents of those who died from injuries received or disabilities contracted in the service. The Act of June 27, 1890, granted pensions to all persons who served ninety days or more during the Civil War and who were disabled from earning a support by manual labor, without requiring the applicant to prove that the disability or disabilities were incurred in the service. The Act also granted pensions to dependent widows of all such persons without requiring them to prove that their husbands died of wounds received or disabilities contracted in the service. The rate of pension under the Act of June 27, 1890, was from \$6.00 to \$12.00 per month to the survivors of



the Civil War in accordance with the degree of disability, and \$8.00 per month to all widows.

The most important pension legislation enacted since the passage of the Act of June 27, 1890, was the Act of February 6, 1907, also passed by a Republican Congress and signed by a Republican President, granting pensions to certain enlisted men, soldiers and officers, who served in the Civil War and the War with Mexico. Under this Act any person who served 90 days or more in the military or naval service of the United States during the late Civil War or 60 days in the War with Mexico and who was honorably discharged is entitled to a pension of \$12.00 per month on reaching the age of 62 years, \$15.00 per month on reaching the age of 70 years and \$20.00 per month on reaching the age of 75 years. While the rates to survivors under the Act of June 27, 1890, were from \$6.00 to \$12.00 per month, the rates provided by the Act of February 6, 1907, are from \$12.00 to \$20.00 per month. Nearly 400,000 applications for the benefit of this Act have been filed in the Bureau and more than 350,000 certificates have been issued thereunder, making an average increase to each pensioner of about \$53.00 per annum.

The legislation next in importance is the Act of April 19, 1908, to increase the pensions of widows, minor children, etc., of deceased soldiers and sailors of the late Civil War, the War with Mexico, the various Indian wars, etc., and to grant a pension to certain widows of the deceased soldiers and sailors of the late Civil War. Under this Act all widows, minors, and helpless children on the rolls at a less rate were increased to \$12.00 per month, and the widows of those who served ninety days during the Civil War and who received an honorable discharge therefrom, are entitled to pension under this Act, provided they were married prior to June 27, 1890, dependence not being considered. This Act granted an increase of pension to some 200,000 widows and children of deceased soldiers and sailors of the Civil War and the War with Mexico and the various Indian wars. Pensioners were not required to file an application in the Bureau of Pensions to secure the increased rate provided by the Act of April 19, 1908, as the Pension Agents were instructed to pay all pensioners on the roll affected by this Act at the increased rate at the first quarterly payment occurring after the passage of said Act. More than 60,000 pensioners received payment at the increased rate at the quarterly payment which occurred on May 4, 1908—only fifteen days after the passage of the Act, and the entire number of pensioners entitled to the benefits of this Act receive payment at the increased rate within three months after the passage of the Act. The applications for original pension received under the Act of April 19, 1908, were given immediate attention, and in about thirty days after the approval of the Act the Bureau was issuing more than 100 certificates per day thereunder to widows whose names were not previously on the pension rolls.

The number of pensioners on the rolls is now slightly in excess of 950,000 and the average amount paid out in pensions each month is nearly \$13,000,000. There are about 625,000 survivors of the Civil War on the pension roll at the present time. As more than 2,500 of these survivors are dropped from the rolls each month on account of death, the importance of having their claims promptly adjudicated will be readily appreciated. The work in the Bureau of Pensions is now in such a condition that an application for increase of pension will be settled and the pensioner, if entitled to the increase, will receive such increase at the first quarterly payment falling due after the filing of the claim. Notwithstanding the fact that the work of the Bureau during the past year was the greatest in amount during its history, a balance of nearly \$400,000 which had been appropriated by Congress for the running expenses of the Pension Bureau remained unexpended at the close of the last fiscal year and was turned back into the Treasury.

The amount of money paid in pensions by the Government each month was a very great factor in relieving the money stringency during the few months following October, 1907. In order that this money might be distributed as widely as possible and benefit the neighborhoods in which the pensioners were located, the ad-

ministration directed that all Postmasters who had funds available should accept pension checks from pensioners and pay cash therefor. The Postmasters by this means were able to forward the pension checks to their depositories and obtain credit therefor, instead of forwarding the actual cash. This increased the circulating medium in each neighborhood throughout the country in which pensioners were located to the full extent of the pension paid, thus greatly benefiting not only the pensioners but the banks and the entire business community as well.

*The number of pensioners upon the rolls July 1, 1907, and for three preceding years, respectively, is as follows:*

	1904.	1905.	1906.	1907.
Revolutionary war:				
Widows -----	1	1	1	
Daughters -----	2	4	3	3
War of 1812:				
Survivors -----	1			
Widows -----	918	776	660	558
Indian wars:				
Survivors -----	2,367	2,269	2,173	2,007
Widows -----	3,519	3,461	3,367	3,201
War with Mexico:				
Survivors -----	5,214	4,540	3,984	3,485
Widows -----	7,821	7,653	7,488	7,214
Civil war:				
General law—				
Invalids -----	240,785	219,384	205,375	178,816
Widows -----	77,414	77,620	76,810	75,629
Fathers -----	1,765	1,410	1,097	873
Minor children -----	875	769	662	599
Mothers -----	7,895	6,643	5,519	4,578
Brothers and sisters -----	192	195	205	224
Helpless children -----	459	472	479	489
Act of June 27, 1890				
Invalids -----	450,007	465,224	461,078	349,283
Widows -----	161,067	169,036	175,237	180,539
Minor children -----	4,067	4,177	4,167	4,032
Helpless children -----	226	250	274	292
Act February 6, 1907				116,239
Army nurses -----	606	603	579	542
War with Spain:				
Invalids -----	12,440	15,711	17,646	19,031
Widows -----	1,012	1,068	1,094	1,109
Minor children -----	224	272	298	316
Mothers -----	2,715	2,957	3,061	3,000
Fathers -----	430	473	512	527
Brothers and sisters -----	8	9	9	11
Helpless children -----		1	1	2
Regular establishment:				
Invalids -----	9,501	10,030	10,648	11,076
Widows -----	2,381	2,453	2,498	2,526
Minor children -----	111	115	120	122
Mothers -----	633	714	783	821
Fathers -----	93	108	130	133
Brothers and sisters -----	8	6	5	5
Helpless children -----	5	7	8	8
Total -----	994,762	998,441	985,971	967,371

On July 31, 1902, there were 1,001,494 pensioners on the rolls. The following table shows the annual decrease in the roll since that date and the loss by death for each year:

	Number of pensioners on the rolls.	Number of pensioners dropped by death.
June 30, 1903 -----	996,545	40,907
June 30, 1904 -----	994,762	43,820
June 30, 1905 -----	998,441	43,883
June 30, 1906 -----	985,971	43,300
June 30, 1907 -----	967,371	45,768
March 31, 1908 -----	954,613	35,122
Total -----		232,800

Assuredly it is unwise to change the policies which have worked so well and which are now working so well.—President Roosevelt's speech accepting 1904 nomination.



The cost of the pension system per capita of population is shown for certain years as follows:

Year.	Number of pensioners.	Total cost of pension system.	Total population.	Cost per capita of population.
1893 -----	966,012	\$161,774,372.36	66,349,000	\$2.44
1898 -----	993,714	148,765,971.26	72,947,000	2.04
1903 -----	996,545	141,752,870.50	80,847,000	1.75
1907 -----	967,371	139,108,087.48	85,817,239	1.62

*Disbursements for pensions and for maintenance of pension system, 1866 to 1907.*

Year.	Paid as pensions.	Cost, maintenance, and expenses.	Total.	Number of pensioners.
1879 -----	\$33,661,428.92	\$337,734.11	\$34,502,163.03	242,755
1880 -----	56,681,229.03	935,027.28	57,621,253.36	259,802
1881 -----	50,583,405.35	1,072,059.84	51,655,461.99	268,830
1882 -----	54,313,172.05	1,468,236.01	55,779,408.03	255,697
1883 -----	60,427,573.81	2,591,618.29	63,019,222.10	303,458
1884 -----	57,912,387.47	2,835,181.00	60,747,568.47	322,756
1885 -----	65,171,937.12	3,392,576.34	68,564,513.46	345,125
1886 -----	64,991,142.90	3,245,016.61	67,336,159.51	365,783
1887 -----	73,752,997.08	3,753,400.91	77,506,397.99	406,097
1888 -----	78,950,501.67	3,515,037.27	82,465,538.94	452,557
1889 -----	88,842,720.58	3,466,968.40	92,309,688.98	489,725
1890 -----	106,093,850.39	3,526,382.13	107,620,232.52	537,344
1891 -----	117,312,690.50	4,700,636.44	122,013,326.94	679,160
1892 -----	159,394,147.11	4,898,665.80	144,292,812.91	876,038
1893 -----	153,903,637.94	4,867,734.42	131,774,372.33	946,012
1894 -----	139,986,726.17	3,993,976.31	113,953,702.48	969,514
1895 -----	139,812,291.30	4,338,020.21	144,156,311.51	979,524
1896 -----	138,220,704.46	3,991,375.61	142,212,080.07	970,078
1897 -----	139,949,717.35	3,987,783.07	143,937,500.42	973,914
1898 -----	144,651,879.80	4,111,031.46	148,765,971.26	993,714
1899 -----	138,335,052.95	4,147,517.73	142,502,570.68	991,519
1900 -----	138,462,130.65	3,841,703.74	142,393,837.39	913,529
1901 -----	138,531,483.84	3,868,795.44	142,409,279.28	937,735
1902 -----	137,504,257.99	3,831,378.96	141,385,616.95	999,416
1903 -----	137,759,653.71	3,993,216.79	141,752,870.50	993,545
1904 -----	141,093,571.49	3,849,366.25	144,942,937.74	994,762
1905 -----	141,142,861.33	3,721,832.82	144,831,694.15	918,441
1906 -----	139,000,288.25	3,523,239.51	142,523,557.76	983,971
1907 -----	138,155,412.46	3,300,110.44	141,461,522.90	937,371
<b>Total</b> -----	<b>3,501,570,279.46</b>	<b>110,051,513.73</b>	<b>3,611,621,793.19</b>	-----

### AN ACT

Granting pensions to certain enlisted men, soldiers, and officers who served in the Civil War and the War with Mexico.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That any person who served ninety days or more in the military or naval service of the United States during the late Civil War, or sixty days in the war with Mexico, and who has been honorably discharged therefrom, and who has reached the age of sixty-two years or over, shall, upon making proof of such facts according to such rules and regulations as the Secretary of the Interior may provide, be placed upon the pension roll, and be entitled to receive a pension as follows: In case such person has reached the age of sixty-two years, twelve dollars per month; seventy years, fifteen dollars per month; seventy-five years or over, twenty dollars per month; and such pensions shall commence from the date of the filing of the application in the Bureau of Pensions after the passage and approval of this Act: *Provided*, that pensioners who are sixty-two years of age or over, and who are now receiving pensions under existing laws, or whose claims are pending in the Bureau of Pensions, may, by application to the Commissioner of Pensions, in such form as he may prescribe, receive the benefits of this Act; and nothing herein contained shall prevent any pensioner or person entitled to a pension from prosecuting his claim and receiving a pension under any other general or special Act: *Provided*, that no person shall receive a pension under any other law at



the same time or for the same period that he is receiving a pension under the provisions of this Act: *Provided, further*, that no person who is now receiving or shall hereafter receive a greater pension under any other general or special law than he would be entitled to receive under the provisions herein shall be pensionable under this Act.

SEC. 2. That rank in service shall not be considered in applications filed hereunder.

SEC. 3. That no pension attorney, claim agent, or other person shall be entitled to receive any compensation for services rendered in presenting any claim to the Bureau of Pensions, or securing any pension under this Act.

Approved, February 6, 1907.

# AN ACT

To increase the pensions of widows, minor children, and so forth of deceased soldiers and sailors of the late Civil War, the War with Mexico, the various Indian wars, and so forth, and to grant a pension to certain widows of the deceased soldiers and sailors of the late Civil War.

*Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled*, That from and after the passage of this Act the rate of pensions for widows, minor children under the age of sixteen years, and helpless minors as defined by existing laws, now on the roll or hereafter to be placed on the pension roll and entitled to receive a less rate than hereinafter provided, shall be twelve dollars per month; and nothing herein shall be construed to affect the existing allowance of two dollars per month for each child under the age of sixteen years and for each helpless child; and all Act or parts of Acts inconsistent with the provisions of this Act are hereby repealed: *Provided, however*, That this Act shall not be so construed as to reduce any pension under any Act, public or private.

SEC. 2. That if any officer or enlisted man who served ninety days or more in the Army or Navy of the United States during the late Civil War, and who has been honorably discharged therefrom, has died, or shall hereafter die, leaving a widow, such widow shall, upon due proof of her husband's death, without proving his death to be the result of his army or navy service, be placed on the pension roll from the date of the filing of her application therefor under this Act at the rate of twelve dollars per month during her widowhood, provided that said widow shall have married said soldier or sailor prior to June twenty-seventh, eighteen hundred and ninety; and the benefits of this section shall include those widows whose husbands, if living, would have a pensionable status under the Joint Resolutions of February fifteenth, eighteen hundred and ninety-five; July first, nineteen hundred and two, and June twenty-eighth, nineteen hundred and six.

SEC. 3. That no claim agent or attorney shall be recognized in the adjudication of claims under the first section of this Act, and that no agent, attorney, or other person engaged in preparing, presenting, or prosecuting any claim under the provisions of the second section of this Act shall, directly or indirectly, contract for, demand, receive, or retain for such services in preparing, presenting, or prosecuting such claim, a sum greater than ten dollars, which sum shall be payable only upon the order of the Commissioner of Pensions, by the pension agent making payment of the pensions allowed; and any person who shall violate any of the provisions of this section; or who shall wrongfully withhold from the pensioner or claimant, or any part of a pension or claim allowed or due such pensioner or claimant under this Act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall, for each and every such offense, be fined not exceeding five hundred dollars or be imprisoned at hard labor not exceeding two years, or both, in the discretion of the court.

Approved, April 19, 1908.

# DEPARTMENT OF AGRICULTURE.

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## **Work of the McKinley-Roosevelt Administration in Behalf of the Farmer.**

During the last eleven years Presidents McKinley and Roosevelt have aimed to bring the Department of Agriculture to the help of our farmers in all sections of the country and have instructed the Secretary of Agriculture to use all endeavors to help the tiller of the soil toward greater efficiency and more economic production; to make the American acre more potent in growing crops. The Congress during the last eleven years has quadrupled the amount of money invested in agricultural research and demonstration, to give the American farmers help in their operations on the farm, to feed our people well and cheaply, and enable them to compete with the outside world. It has provided for over two thousand scientists, specialists in their respective lines, who are in touch with our farmers in all sections of the country, gathering information and preparing it for issue in departmental publications, of which nearly seventeen million pieces were given out in 1907 to go into our country homes, dealing directly with what is uppermost in the minds of our growers of plants and animals at the time of publication.

## **Science Applied to Development of Agriculture.**

The education of specialists in applied science to meet the demand for research under the Federal Government and under State institutions has become a prominent feature of departmental work. Graduates of our agricultural and other colleges are drafted into the Department of Agriculture and prepared for scientific research along the lines demanded by the producers of our country under all our varied conditions. Within the last eleven years nearly sixteen hundred young men have had post-graduate instruction in the sciences of agriculture. The Department of Agriculture and the State experiment stations are actively cooperating with regard to unsolved problems that affect the farmer throughout our States and Territories and in the islands of the sea that have lately come into our possession.

New markets for our surplus production are being sought in foreign countries, and scientific inquiry is being made into the preparation of our exports for foreign markets. Uncertainty with regard to the magnitude of our crops at home is being removed by careful statistical inquiry, to the end that more accurate knowledge with regard to production may mitigate the evils of speculation. Inquiry is also being made into the productions of competing countries, in order that the American farmer may know what he has to meet in foreign markets.

## **New Products for American Farms.**

Strenuous efforts are being made to encourage the home production of articles we have been importing from foreign countries. During the last eleven years there has been an increase in the production of sugar from beets which makes the product of 1907, amounting to 500,000 tons, over thirteen times that of 1896 and its value fifteen times. Eleven years ago we produced only one-fourth of the rice consumed in the United States. The fostering work of the Federal Government has enabled the rice growers to produce more than the equivalent of our home consumption and foreign markets are being sought for the surplus. There was an increase in the production of rice from 97,000,000 pounds in 1896 to an average of 716,000,000 pounds during the last four years.

Scientific research by the Bureau of Soils demonstrates the fact that we can produce at home the fine tobaccos for which we have been paying over twenty million dollars a year to foreign



countries. Our explorers have searched foreign lands for grains, legumes, fiber plants, teas, etc., for introduction into sections of the United States suitable to their production. The producing area for grains has been extended westward into the dry regions of our country through the introduction of plants that are at home where the rainfall is light. Nearly fifty millions of bushels of wheat are being grown in regions that have heretofore been unproductive.

#### **Eradication of Diseases of Farm Animals and Products.**

The Federal Government is studying the diseases of domestic animals with a view to their complete eradication. Our animals and their products go to foreign countries with bills of healthfulness. The American meats are the most wholesome in the world, as the world now knows. An imported disease of domestic animals was promptly stamped out within a year at an expenditure of \$300,000, to prevent it from spreading throughout the country among our herds and flocks. Rigid inspection against foreign countries having animal diseases is maintained at our ports of entry, in order to protect the health of our domestic animals.

Within the last eleven years the Government has become thoroughly equipped to deal with plant diseases. The loss of half a million dollars annually was stopped by pathological examination of our sea-island cottons. New varieties of fruits, cereals, cottons, etc., are being created by hybridizing to meet the demands of producers of these crops in the North and in the South.

Our forests have been mostly destroyed and our mountains, the natural reservoirs for water, have been rendered incapable of retaining moisture. Efforts are being made to reforest the country, to prevent fires, to regulate grazing in our forests, and to study lumbering and forest products.

The Federal Government is making inquiry into road material and a beginning has been made in the education of young men toward road building. A laboratory has been established in the Department of Agriculture for the study of materials with which to construct roads; and rocks, gravels, clays, tiling, cement, concrete pavements, stone, brick, wood, and asphaltum are being studied.

The Central American boll weevil, now the greatest menace to the cotton crop of the United States, is being actively studied as it increases its range, and means of control have been devised which make the growth of cotton nearly as profitable as ever. The insect enemies of other great staple crops are being investigated throughout the country, and the gypsy and brown-tail moths, which are threatening the forest areas of New England, are being checked and brought into measurable control by the agency of the Federal Government in cooperation with State authorities. The losses occasioned by insect pests in general amount to hundreds of millions annually, and much of this loss may gradually be prevented by the kind of work done by the Department of Agriculture.

The practicability of growing tea in the United States is being demonstrated, and extensive experimentation is being made in the production of silk.

The atmosphere in its relations to agriculture and commerce is being carefully studied and trained meteorologists for the first time in our history are being detailed from the Department of Agriculture to give lectures in institutions of learning, in order that we may have scholars in the land along this line of inquiry, to the end that the farmer and the mariner may have all the protection that intelligent forecasting can give them.

#### **The Meat Inspection and Pure Food Laws.**

On June 30, 1906, by the approval of President Roosevelt, the *Meat Inspection Amendment* became a law. Under the provisions of this amendment the Federal Government guarantees to the people of the United States that the meat shipped in interstate commerce is derived from animals which are free from disease at the time of slaughter and that meat food products from these



animals are prepared in clean packing houses, under sanitary conditions, and without the addition of any injurious or deleterious drugs, chemicals, or preservatives. The United States now has the most stringent and the best enforced meat inspection law of any country in the world, and it is a great protection to the health and lives of the people. Over 2,500 employees are directly engaged each working day in the year in the enforcement of the law.

On the same day, June 30, 1906, President Roosevelt approved the *Pure Food Law*. This law covers all foods, with the exception of meats, including beverages, and also drugs which enter interstate or foreign commerce. By its terms, articles of food or drink must not contain any injurious or deleterious drug, chemical, or preservative, and the label upon each package of food, drugs, or drink must state the exact fact, and must not be false or misleading in any particular. While this law does not cover foods, beverages, and drugs which are produced and consumed entirely within the limits of one State, yet its enactment has incited the legislatures of the different States to enact laws covering domestic products of a like nature. These laws very generally follow the national act as to form and detail, the only difference being that one affects interstate and foreign commerce, while the other affects the internal commerce of the State. Inspectors are continually traveling throughout the United States to discover whether the terms of the law are being observed, and they have found, upon the part of manufacturers and dealers, a very general compliance with the law. When violations of the law are observed, they are at once prosecuted by the Department of Justice and the guilty parties are punished.

#### The Farmer and the Balance of Trade.

During the eighteen years, 1890-1907, the average annual excess of domestic exports over imports amounted to \$337,000,000 and during the same time the annual average in favor of farm products was \$362,000,000, from which it is apparent that there was an average annual adverse balance of trade in products other than those of the farm amounting to \$25,000,000, which the farmers offset and had left \$337,000,000 to the credit of themselves and the country.

Taking the business of 1907, the comparison is much more favorable to the farmers than during the eighteen-year period, since the value of domestic exports of farm products over imports was \$444,000,000.

During the last eighteen years there was a balance of trade in favor of farm products, without excepting any year, that amounted to \$6,512,000,000. Against this was an adverse balance of trade in products other than those of the farm of \$456,000,000, and the farmers not only canceled this immense obligation, but had enough left to place \$6,056,000,000 to the credit of the nation when the books of international exchange were balanced.

These figures tersely express the immense national reserve sustaining power of the farmers of the country under present quantities of production.

The health of our people is being safeguarded by inquiry into importations of food from foreign countries that contain substances deleterious to health. The United States is no longer the dumping ground for food stuffs that are forbidden sale in the countries where they originate.

An aim of the Department is to make the American independent with regard to everything that can be produced in our latitudes. Corps of scientists have been placed in each of the new island groups that have lately come under our jurisdiction for the purpose of helping them to produce what can not be grown in the continental United States.

The Department of Agriculture is furnishing information regarding the requirements and possibilities of irrigation, both in the arid regions of the United States and as an aid to agriculture in the humid East. This inquiry determines the amount of water needed to give the best results, the time when it should be

applied, and the methods of application best suited to different localities and different crops. The evils of too much water, resulting in the ruin of large areas which were highly productive a few years ago, are being investigated, with a view to preventing not only the ruining of crops which get too much water, but of those on equally fertile soil which are deprived of the necessary water supply. The economic use of water and the introduction of plants from foreign countries where the rainfall is light are extending crop growing over large areas that have been unproductive.

See "Agricultural Prosperity," and "Value of the Factory to the Farmer."

We know what we mean when we speak of an honest and stable currency. We mean the same thing from year to year.—President Roosevelt's speech accepting 1904 nomination.

The greatness of our Nation, as shown in the struggle of the Civil War, is now everywhere recognized, and in the perspective of forty years there is none to deery or belittle it.—Hon. Wm. H. Taft, at Riverside Park, New York.

Class appeals are dishonest \* \* \* ; they calculate to separate those who should be united, for our economic interests are common and indivisible.—Maj. McKinley to Commercial Traveling Men's Republican Club, September 26, 1896.

A currency worth less than it purports to be worth will in the end defraud not only creditors, but all those who are engaged in legitimate business, and none more surely than those who are dependent upon their daily labor for their daily bread.—Hayes.

The enormous effort of the whole people as a Nation, and the burdens they gladly assume to maintain the national integrity, and to cut out the cancer of slavery that was eating away our national life, do not grow any less, from an historical standpoint, as the decades pass.—Hon Wm. H. Taft, at Riverside Park, New York.

Fate has decreed, and her decrees are forever irreversible, that we shall dwell in perpetual union. Political demagogues, for selfish ends, and senseless agitators cannot disturb the ties which bind us together with more than a Titan's power.—Hon. C. W. Fairbanks, at Lancaster, Mass., June 30, 1903.

The only substantial steps which have been really taken to stop the abuses and oppression attempted by the irresponsible holders of great wealth and corporate power, have been by the Republican party.—Hon. Wm. H. Taft, at Greensboro, North Carolina.

The menace of 16 to 1 still hangs over us with all its dire consequences to credit, confidence, business, and activity; the enemies of sound money are rallying their scattered forces. The people must once more unite and overcome the advocates of repudiation.—President McKinley to the Notification Committee, July 12, 1900.

In spite of the general comfort, there have been made manifest by signs not to be misunderstood, a quickening of the public conscience and a demand for the remedy of abuses, the outgrowth of this prosperity, and for a higher standard of business integrity. Every lover of his country should have a feeling of pride and exaltation in this evidence that our society is still sound at the core.—Hon. Wm. H. Taft, at Columbus, Ohio.

Money indebtedness is not the only obligation we incurred and assumed in the great civil war. There was a still greater debt, an everlasting obligation that could never be paid in full. But in the years that have followed, the Republican party has inaugurated and developed pension laws under which over three and one-half billion dollars have been paid to disabled veterans or to the survivors of those who gave their lives for their country and their flag. This pension system, a product of the policy of the Republican party, has no precedent in history and no equal in justice and generosity among the nations of the earth.—Hon. James S. Sherman.

One vital, dominating fact confronts the Democratic party which no oratory, which no eloquence, which no rhetoric can obscure: BRYAN'S NOMINATION MEANS TAFT'S ELECTION.—New York World.



## THE DEPARTMENT OF COMMERCE AND LABOR.

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This newest of the nine executive departments of the government has been developed under the McKinley-Roosevelt administration. It was created by the Act of February 14, 1903, which makes it the province and duty of the department "to foster, promote, and develop the foreign and domestic commerce, the mining, manufacturing, shipping, and fisheries industries, the labor interests, and the transportation facilities of the United States." The department was organized by Hon. George B. Cortelyou as the first Secretary of Commerce and Labor. On his appointment as Postmaster-General he was succeeded by Hon. Victor H. Metcalf, of California, who in turn was succeeded in December, 1906, by Hon. Oscar S. Straus, of New York. Secretary Straus has had a varied experience in both business and public life, peculiarly qualifying him to discharge the duties of his position. He has stated his policy as head of the department to be "to do for labor everything that the law permits the department to do, and to give to manufacturers all the knowledge the department can secure; in short, to conduct the department for the best interests of the industrial classes, employers and employees alike."

The Bureau of Immigration and Naturalization has entered upon an important new phase of work in preventing fraudulent and careless practices in conferring citizenship upon foreigners. Another piece of constructive work undertaken by this Bureau is the collection and dissemination of information regarding opportunities for immigrants in different sections of the country. The Bureau of Corporations is a bureau of publicity with reference to industrial combinations, and its reports have served to terminate or prevent serious evils, quite aside from the value of its investigations in prosecuting wrong-doers. The work of these two bureaus is more fully described elsewhere in this volume.

### **Bureau of the Census.**

Of the Government's statistical bureaus the largest is the permanent Census Office, created in 1902 and attached to the Department of Commerce and Labor on its organization. In the intervals between the decennial counts of population the Census Bureau is occupied in preparing reports on a large number of special subjects, including a manufacturing census taken midway between the censuses of population and published in the form of bulletins. The Bureau publishes annual statistics of cities of thirty thousand or more population, of births and deaths, and of the supply and distribution of cotton. The Census Bureau issues cotton-ginning reports semi-monthly, and arrangements have been made with the statistical bureau of the Department of Agriculture by which the reports of the two bureaus on cotton production are brought into harmony with each other, and made public so far as possible on the same dates and in such a manner as to reduce to a minimum any possible disturbing effect upon the markets.

The establishment of the permanent Census Bureau has made possible a much needed work for the local registration of births and deaths, resulting in a rapid improvement of American vital statistics. The municipal statistics compiled by this bureau have resulted in checking undue extravagance and correcting unwise parsimony, and are thus among the most important agencies for improving municipal government.



**The Bureau of Labor.**

The Bureau of Labor was originally organized at the beginning of 1885 under the Department of the Interior. In 1888 it was made an independent department (though under a commissioner and not a secretary), but on the establishment of the Department of Commerce and Labor it naturally became a bureau in the new department. Its inclusion in this department was opposed by some labor interests, ambitious to have a Secretary of Labor with a seat in the Cabinet, but labor organizations now express themselves as satisfied with immediate representation in the Cabinet through the Secretary of Commerce and Labor.

The purpose of the Bureau of Labor is "to acquire and diffuse among the people of the United States useful information on subjects connected with labor, in the most general and comprehensive sense of that word, and especially upon its relation to capital, the hours of labor, the earnings of laboring men and women, and the means of promoting their material, social, intellectual and moral prosperity." The publications of the bureau consist of annual statistical reports on various subjects affecting the interests of labor, a series of additional special reports, and a bi-monthly bulletin containing articles of timely interest, and also, in each issue, digests of state labor reports and of foreign labor and statistical documents, current labor legislation, and court decisions affecting labor. At present the bureau is engaged mainly upon an exhaustive investigation of all the conditions surrounding woman and child labor in this country, from which important results, both scientific and legislative, are expected.

The Erdman Act of 1898 provides that whenever a controversy arises between an interstate railroad and its employees seriously interrupting or threatening to interrupt the business of the railroad, the Chairman of the Interstate Commerce Commission and the Commissioner of Labor, at the request of either party to the controversy, are required to use their best efforts to settle the same by mediation and conciliation, or, failing such amicable settlement, by arbitration, and in recent years it has been successfully employed in a number of cases. A detailed statement regarding the work of this important Bureau is published on another page.

The interest of the present Administration in the welfare of the wage-earners of the country has reflected itself particularly in the activities of the Bureau of Labor.

As a result of the exposure of the labor conditions in the packing-houses of Chicago, in which work the Bureau of Labor cooperated, the working conditions of thousands of men and women wage-earners have been greatly improved.

Through the investigations made by this Bureau and the co-operation of the Department of Justice, prosecutions have been instituted for violations of the eight-hour law on Federal work, and a more effective enforcement of this important law has been secured.

It was largely through the investigations and reports of the Bureau of Labor on the subject that the interest was aroused which secured the passage of the compensation act for Government employees, which represents the first large recognition on American statute books of a principle vitally important to wage-earners, and one of the most notable steps that has yet been taken in comprehensive social legislation.

One of the most important developments in recent years touching the relations of wage-earners and employers has undoubtedly been the appearance of Government representatives in industrial disputes. Under a law passed by a Republican Congress the chairman of the Interstate Commerce Commission and the Commissioner of Labor are constituted a board of mediation in any industrial dispute affecting railways engaged in interstate commerce and their employees engaged in train operation.

The services of this board are available in any such dispute upon the application of either side. In the past two years over twenty appeals have been made to this board for mediation in large and important disputes, and in some instances in the large

est and most important disputes that have ever threatened in the railroad world. In no case in which the services of the mediators have been invoked before the strike occurred has it failed to bring about a peaceful adjustment of existing difficulties, and one that was accepted as satisfactory by both sides. The enactment and the administration of this law would probably be pronounced by those who have had experience of its advantages as one of the most important services that the Government could render to the interests of wage-earners.

#### The Bureau of Manufactures.

It is the special province of the Bureau of Manufactures to foster, promote, and develop the manufacturing industries of the United States and markets for the same at home and abroad. This it does mainly by gathering and publishing information concerning industries, trade conditions, and trade markets. Consular reports of commercial interest are transmitted from the State Department to the Department of Commerce and Labor and issued by the Bureau of Manufactures in its *Daily Consular and Trade Reports*, together with occasional reports from special agents of the Department engaged in collecting information abroad for the benefit of American manufacturers. When information is received which is believed to be of special importance to particular industries, as, for example, by pointing out particular points for the sale of their product, it is communicated directly to those most concerned, a plan much appreciated by the manufacturers. Samples and photographs of all kinds of cotton goods sold in China, for example, have been obtained and distributed to commercial bodies and textile schools, and the agent who studied British cotton manufactures afterwards conferred with manufacturers in the South, explaining British methods and showing samples. Thus the information obtained is made of the utmost possible practical value to American industries. The Bureau of Manufactures collates and arranges the tariffs of foreign countries in convenient form for the information of exporters, and also publishes an annual volume on "Commercial Relations of the United States."

#### A National Council of Commerce.

With a view to bringing the Bureau of Manufactures and the Department generally into closer touch with commercial bodies, such as manufacturers' associations, chambers of commerce, and boards of trade, a National Council of Commerce has been organized on the initiative of Secretary Straus, with an advisory board as the direct means of communication. It is hoped that all the commercial bodies in the country will join the Council of Commerce, and that it will prove of much value as a practical guide to the work of the Department in promoting commerce, and especially as a medium for the exchange of commercial information.

#### The Bureau of Navigation.

The Commissioner of Navigation has general superintendence of the merchant marine of the United States. His reports are a veritable mine of information relative to the shipping industries, and also contain suggestions regarding desirable amendments to the navigation laws. Under the Bureau of Navigation are shipping commissioners stationed at all the principal ocean ports. Their functions are to superintend the engagement and discharge of seamen, to see that the men engaged go on board at the proper time, to facilitate the making of apprenticeships to the sea service, and to keep registers of the names and characters of seamen, thus serving as employment agents with power to enforce the provisions of law for the protection of the interests of seamen. Through their efforts "shanghaiing" and "crimping," the chief evils connected with the sea service, are being systematically and effectually stamped out.



### **The Steamboat Inspection Service.**

Secretary Straus has actively interested himself in the improvement of the Steamboat Inspection Service, with important results in greater safety of travel by water. The annual inspections required by law having proved an insufficient guaranty of safety, he has ordered that all excursion and ferry boats, and so far as possible other passenger vessels, shall be inspected four times a year. All new life-preservers are examined, with the result that very few defective ones are now manufactured, and none are allowed to be used. Explosions are guarded against by testing boiler plates at the mills. During 1907 the number of fatal accidents to steamboats showed a marked diminution.

### **Aids to Navigation.**

No less important are the steps which have been taken for the improvement of the Lighthouse Service. Standard models have been adopted for Lighthouse tenders and light-vessels, which will be more economical and at the same time more efficient than the old models. The experimental introduction of incandescent oil vapor as an illuminant has proved so successful in increased candle power and diminished consumption of oil that the new system is being installed as rapidly as the available funds permit. The work of the Coast and Geodetic Survey in publishing tide tables, detailed instructions to pilots, and other practical information, is also of much value to navigators.

### **The Bureau of Standards.**

The Bureau of Standards, created in 1901, has been developed in the few years of its existence into an important source of precise scientific authority of great value both to scientific investigators and to commercial interests and consumers. Its work is of great assistance both to industrial establishments and to other scientific laboratories; and it cooperates with municipal authorities in the establishment of their testing plants by verifying their standards and otherwise. Conferences of state and local officials on the weights and measures of the United States are held annually, under the auspices of the Bureau, and together with the published proceedings are serving to awaken interest in the use of accurate commercial weights and measures, and promoting uniformity in their inspection.

### **The Bureau of Fisheries.**

The Fish Commission, formerly an independent establishment, was transformed into a bureau of the Department of Commerce and Labor on its organization. The Bureau of Fisheries is doing an important work in the introduction and propagation of useful fishes and shellfish. Many millions of fish eggs and young fishes are supplied every year to state fish commissions, and eggs are also exchanged with foreign countries. The bureau also gives expert advice to state officials and to individuals on matters connected with fish culture, capture, and markets. Promising experiments are being made in the artificial fattening of oysters, and experimental sponge plantations have been established in Florida in order to develop a commercial system of sponge culture.

### **Bureau of Statistics.**

The Bureau of Statistics, which receives, analyzes and publishes the statistics of the foreign commerce of the United States, has enlarged its scope of operations to include records of the internal commerce on the great lakes and at interior trade centers, and a statistical abstract of the trade of the principal countries of the world. Its statistical abstract of the United States contains much miscellaneous information, in condensed form, regarding population, industries, commerce, and business conditions in the United States at the latest available date, compared with that of earlier years.



**Work of the Bureau of Immigration and Naturalization**

The past four years have constituted a period of importance unprecedented in the history of immigration of foreigners into the United States. Not only is this true as to the numbers that have come to us in that time, but even to a more marked extent with respect to the supervision that has been exercised and the new and important steps taken and advanced methods adopted to solve a very interesting and vitally important economical problem.

On March 3, 1903, an immigration act, more comprehensive and far reaching than any theretofore passed by Congress, was approved by the President. On the first of the following July, the Bureau of Immigration was transferred to the then recently organized Department of Commerce and Labor, and regulations were promulgated and detailed plans arranged for carrying out the will of the people, as expressed by Congress, with respect to a restriction along certain lines of the influx of aliens. As new experience was added to that gained in enforcing prior legislation, and more adequate revenues secured under the increase of the head tax on aliens to \$2 per capita, it was possible to bring about more and more effective measures to attain the two objects of the law. It is worth while to note what those two objects are, for they are a true indication of what the declared policy of the United States is with respect to immigration. In the first place, then, the law (or certain features of it) is intended to protect the American laborer, skilled or unskilled, from an unfair, and possibly eventually disastrous, competition with the laborers of foreign countries, and thereby maintain the high standards of living which have for so long been the pride, not only of the laboring classes, but of all true and right-thinking citizens of this country. And, secondly, the law contemplates the object of preventing the entry of foreigners who, by reason of some individual defect—moral, mental or physical—are not thought to be desirable additions to our body politic; not of foreigners generally, nor of any particular race or class of foreigners, but of those who are individually unfit.

The energies of the Bureau of Immigration have been directed to the accomplishment of these two objects, and such efforts have, particularly in the past four years, been rewarded with remarkable success; for by the beginning of that period the rules and regulations for the application of the terms of the statute to the existing practical situation had become thoroughly operative at all points.

In February, 1907, the Congress again took an advanced position with respect to immigration, passing the new Immigration Act which was approved by the President on the 20th of that month. While this act added to prior law in no radical or even marked respect (with two exceptions hereinafter mentioned) it contained a number of minor changes, suggested by the experiences of four years' enforcement of the Act of 1903, removing difficulties of administration and strengthening clauses designed, by the attachment of penalties to certain kinds of violations, to produce discouragement of evasions and violations of the law's spirit; so that it constitutes a distinct advance in the right direction on the question of the exclusion of undesirable aliens.

Thus, throughout the period under consideration, it has been possible to proceed with ever increasing effectiveness in the rejection at the ports of this country of aliens whose moral standards render them undesirable, or who are insane, idiotic, feeble-minded, or otherwise mentally deficient, or who are afflicted with tuberculosis or loathsome or dangerous contagious diseases, or who are paupers or likely to become charges upon the public, or who are seeking to enter in pursuance of prearranged employment and therefore to the detriment of domestic labor within the meaning of the law; and to also proceed with the removal from the country of those found, within three years after entry, to be unlawfully here for reasons of like character. In this latter respect special efforts have been made to bring about the removal from the United States of anarchists and other criminals, by making the best use of the machinery furnished by the law and in addition securing the cooperation of the local police authorities throughout the country.

**Contract Labor Excluded.**

In no respect has this strengthening of the law been more marked and effectual than in the clauses relating to contract labor; and as the enforcement of the new statute is proceeded with, it is anticipated, in the light of results already accomplished, that it will be of almost incalculable benefit to American laboring men. By making the terms of these particular clauses more comprehensive, and at the same time more specific, Congress has furnished the Government with an instrument with which to more effectually than ever before prevent the importation of foreign laborers by the apprehension of such laborers at the ports, and by the still better method of convicting and punishing parties who attempt to make importations. Thus, in section 2 of the Act, an alien contract laborer is declared to be a person who has been "induced or solicited to migrate to this country by offers or promises of employment, or in consequence of agreements, oral, written, or printed, express or implied, to perform labor in this country of any kind, skilled or unskilled;" and in section 4 it is declared to be a "*misdemeanor* for any person, company, partnership, or corporation, in any manner whatsoever, to prepay the transportation or in any way to assist or encourage the importation or migration of any contract laborer or contract laborers into the United States," so that, as has recently been held by one of the District Courts, it is still possible, as it was under the old law, to proceed civilly under section 5, for a penalty of one thousand dollars for each offense, and also possible, as was not the case before, to proceed criminally in certain violations for the imprisonment of the offender under section 4 of said act taken in conjunction with section 5440 of the Revised Statutes. The advantages of the new law on contract labor are, therefore, obvious, and the laboring men of the United States are to be congratulated on the strengthening of their bulwark of defense against foreign competition.

**Fraudulent Naturalization Checked.**

The act of June 29, 1906, changed the designation of the Bureau of Immigration to the "Bureau of Immigration and Naturalization," and placed under that Bureau all matters concerning the naturalization of aliens. The centralization in this Executive Department of the supervision over the process of naturalization renders it practicable to greatly diminish, if not entirely to eliminate, fraud by preventing illegal naturalization based on false testimony. It also enables the Government to more readily detect irregular and fraudulent naturalization and to cancel certificates of naturalization hitherto illegally obtained. These results are accomplished by means of investigations by the naturalization examiners, and in the short period which has intervened since the act became operative rapid progress has been made in the enforcement of this distinctly reformatory measure. No piece of legislation enacted in recent years transcends this act in importance or promises more for the uplift and moral improvement of our alien population. The "inestimable heritage of citizenship" was daily being cheapened and degraded, when the President appointed, in the spring of 1905, an executive commission to investigate and report to him on the subject of naturalization in the United States, the report of which commission was referred to Congress and formed the basis of the reform measure above mentioned. While quite likely, as the administration of the law is proceeded with, some changes in detail may be found necessary or expedient, it can be confidently stated that this piece of legislation, as it has been and is now being applied by the Naturalization Division of the Bureau, working in harmony with the Department of Justice, constitutes an enormous stride towards the attainment of ideal conditions with respect to conferring citizenship upon foreign born residents of this country. From being in many respects a purely perfunctory procedure, naturalization has been changed into a dignified and even impressive ceremony, and the methods of making application and preparing therefor have been improved from an almost chaotic condition into a carefully safeguarded system.



Certificates of citizenship are no longer miscellaneous illy printed slips of common paper, but are engraved documents of beauty and value, prepared in such a manner as to be practically incapable of being counterfeited. And the foreigner is rapidly being taught that citizenship of this great Republic is not a boon to be lightly and carelessly conferred or to be accepted in a spirit of thoughtlessness or levity; but is a privileged state into which he can gain entrance only by a display of his fitness therefor, and the observance of set and absolute requirements. In the short period this division has existed, nearly 50,000 petitions for naturalization have been filed; about half of which have been granted and certificates of naturalization issued thereunder, and about 1,200 denied, the balance remaining pending.

#### **Finding Employment for Immigrants and Workmen for Employees.**

By section 40 of the Act of February 20, 1907, Congress made provision for the establishment in the Bureau of Immigration and Naturalization of a Division of Information, which might, under the terms of the law and in view of the evident intent thereof, be more accurately designated as a "Division of Information and Distribution." This in many respects is the most important piece of legislation on immigration ever enacted. The main objection to the greatly increased immigration of the past decade is because of the congestion and the evils consequent thereupon in our larger Atlantic seaport cities. While some such cities have been complaining of the enormous increase of their foreign population, other and less densely populated sections of the country have been suffering to an infinite degree for lack of the labor necessary to a development of their resources. By this provision at least the nucleus has been formed for the building up of a system of distribution that will not only relieve the congested and sparsely settled sections, respectively, by more nearly balancing them, but at the same time will so place the aliens landing on our shores that they can with the greatest readiness be assimilated into our permanent population and eventually into the body of our citizenship. While the law is of very recent enactment, the Bureau has not been slow to seize upon its provisions for the amelioration of existing conditions, and notable and encouraging progress has even already been made in effectuating its purposes. The Division has been systematically organized under a competent chief in the Bureau at Washington; a branch office established and equipped in New York City; arrangements inaugurated for the procurement of reliable information from all sections of the country for distribution to aliens landing at the large ports; and active operations for the actual locating of settlers begun, nearly 500 having already at the very start been placed in desirable positions where their services are urgently needed.

In one other respect the new law contains a departure—one made particularly in deference to the wishes and needs of American labor. By a clause attached to section 1 thereof, provision was made "That whenever the President shall be satisfied that passports issued by any foreign government to its citizens to go to any country other than the United States or to any insular possession of the United States or to the Canal Zone are being used for the purpose of enabling the holders to come to the continental territory of the United States, to the detriment of labor conditions therein, the President may refuse to permit such citizens of the country issuing such passports to enter the continental territory of the United States from such other country or from such insular possession or from the Canal Zone." And in pursuance thereof the President, on March 14, 1907, issued a proclamation ordering that "Japanese or Korean laborers, skilled or unskilled, who have received passports to go to Mexico, Canada, or Hawaii, and come therefrom, be refused permission to enter the continental territory of the United States." Under this law and proclamation it has been possible even in the short period intervening to gradually bring about a fairly effective control of the influx of Japanese laborers at which the laboring men, particularly those of the West, were becoming somewhat alarmed.



For instance, the statistical records of the Bureau show that in the month of January, 1907, 1,359 aliens of the Japanese race were admitted to continental United States, as against 495 in January, 1908; that the admissions in February, 1907, and 1908, were 813 against 468; and that the figures for March of the two years were 1,033 against 491. As the regulations and machinery for the enforcement of the law and proclamation are perfected even a far greater decrease may be expected with certainty.

#### Enforcing the Chinese Exclusion Laws.

The statute books probably do not contain any legislation more difficult of exact enforcement than the Chinese exclusion laws. The fact that they differ so radically from other laws, added to the fact that in many sections of the country there is but little sympathy with the more severe portions thereof, operates against an efficient application of their provisions to peculiarly difficult conditions. Despite these circumstances and the fact that much criticism of a rather serious nature arose in certain quarters during the maintenance of the Chinese boycott against American products, commencing early in 1905, the endeavors to make said laws effective of their object, viz. the exclusion of Chinese coolies, have been constant, and have been by no means unproductive of results. The most serious difficulty, perhaps, of all those encountered in the administration of these laws, has been brought about by the apparently concerted efforts of smugglers and promoters residing in the United States and of persons in China interested in exploiting the Chinese laborer. Having this fact in view, as well as the mischief likely to result from the boycott, the claimed basis of which was the assertion that Chinese of the exempt classes, although in possession of the legal evidence of their status, were subjected to strict, time-consuming, and "humiliating" examinations upon arrival at ports of this country, the President, in the spring of 1905, adopted a course which has resulted in a great improvement of conditions in both China and this country; so that instances of the use of fraudulent certificates in securing the admission of Chinese coolies, and complaints of unduly exacting examinations of *bona fide* members of the exempt classes at ports of this country, have been reduced to a minimum; the boycott is a thing of the past, and the alarm it created is almost if not quite forgotten.

The enforcement of the Chinese exclusion laws along our land borders, which until a few years ago was almost impossible, has gradually been placed upon a workable basis. This is particularly true of the Canadian boundary, where conditions, comparatively, approach the ideal, and even on the Mexican border much improvement has been accomplished by the most strenuous exertions.

The policy has been to secure just so far as possible such an enforcement of the law as would protect the country from the entry of the coolie classes, and at the same time would give no offense to the Chinese nation or to those classes the exclusion of which is not intended and an encouragement of intercourse with which is apparently essential to the maintenance and advancement of our commercial relations with the great Eastern Empire. That these are the correct principles upon which to proceed is too obvious to call for any extended explication. That they have been pursued and are being pursued to the marked advantage of this country, commercially and otherwise, is readily capable of demonstration.

#### BUREAU OF CORPORATIONS.

The work of the Bureau of Corporations, a part of the Department of Commerce and Labor, is detailed in the chapter entitled "Control of Corporations."

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There has been considerable debate as to whether the Constitution follows the flag. No matter how diverse and conflicting our opinions may be on this subject, there is one opinion that we all entertain, and that is that the American school-house follows the flag.—Hon. C. W. Fairbanks, in U. S. Senate, February 22, 1902.

# TREASURY DEPARTMENT.

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The work of the Treasury Department is so intimately related to the questions of currency, revenue, commerce and current business conditions that it has been found necessary to include under the chapters on the Money Panic of 1907, the Currency Law of 1908, Prosperity, Commerce and the Merchant Marine many of the statements regarding the work of this department. The reader is referred to those chapters and to the index which occupies the opening pages of this book for those features of the work of the Treasury Department which do not appear in this chapter.

## CUSTOMS.

### Drawback.

Under section 30 of the tariff act of 1897, providing for a refund of 99% of the duties paid on imported materials used in the manufacture of exported articles, nearly five and one-half million dollars were paid to the manufacturers of this country during the year 1907. In 1900 the duties refunded amounted to a little over three and one-half million dollars, an increase in 1907 of nearly two million dollars.

Applications by manufacturers for the establishment of rates for the allowance of drawback on their products have increased more than 125% since 1900, which shows that the drawback plays an important part in the establishment and maintenance of foreign trade. In many instances this rebate of duties has been the factor that enabled our manufacturers to successfully compete with foreign producers in the markets of the world.

Efforts have been directed towards relieving the regulations under which drawback is paid of all requirements involving difficulty on the part of the manufacturer in complying therewith, and to amending and simplifying the same to meet new conditions that arise, the object being to give to manufacturers the benefit of the drawback act, without disturbing their business methods or imposing upon them burdensome requirements. At the same time the revenue has been properly safeguarded.

### Transportation of Foreign Merchandise Under Bond.

To facilitate importations to interior ports, the privileges of the act of June 10, 1880, known as the immediate transportation act, have been extended to both ports of entry and delivery.

The transportation of imported merchandise has been greatly simplified by the adoption of one form of bond for carriers for the various kinds of merchandise and a form of carriers' special manifest of a distinctive color for goods moving under transportation entries.

To facilitate further the transportation of merchandise destined from one foreign country to another across our territory, the individual bond of the shipper has been discontinued, such shipments now being charged against the general bond of the carrier.

Also a uniform system of bonding has been adopted whereby the common carrier is required to execute but one bond in the sum of \$100,000, and the penalties are fixed for failure to comply with the conditions of the bond.

These methods are better adapted to present business conditions.

### Merchandise Imported by Mail.

During the past ten years many postal and parcels post conventions have been concluded between the United States and foreign countries under the terms of which dutiable merchandise may be imported. The growth of these conventions made necessary the preparation of elaborate regulations, in order, first, that



parcels might be promptly delivered to the addressees, and, second, that the revenue should be properly protected. After careful investigation by the Treasury and Post Office Departments joint regulations were issued which have greatly increased the efficiency of the service.

#### **Baggage.**

For many years complaints were lodged with the Treasury Department regarding delays incident to the passing through the customs of passengers and baggage from foreign countries. The practice was to assemble the passengers in a room on board the vessel on which they arrived and there have them prepare and subscribe to their baggage declarations. When this was done the baggage, upon arrival of the vessel at the dock, was unladen and examined. A careful investigation was set afoot in order to determine what relief, if any, might be granted in such cases. This investigation disclosed the fact that needless confusion, delay and inconvenience were due to the existing practice. Thereupon regulations were promulgated whereby the declarations of passengers are prepared aboard ship en route to the United States, delivered to an officer of the ship, and by him turned over to the customs officers upon reaching the United States. These declarations bear a coupon which is detached by the passenger at the moment of preparing his declaration and by him handed to the proper customs officer for identification upon arrival at the dock. By this method passengers do not come in contact with the customs officers until the vessel docks.

That the existing regulations on the subject have given general satisfaction is evidenced by the facts that complaints have ceased and many letters of commendation have been received.

#### **Life-Saving Service.**

The Life-Saving Service has been extended during the last four years by the addition of eight stations, making the entire number of stations now upon the sea and lake coasts of the United States 281. Many improvements have been made in the methods and apparatus employed in effecting rescues, the most notable being the successful application of motive power to the large self-righting and self-bailing lifeboats.

It having become necessary to increase the inducements for retaining trained men in the service and securing competent recruits, the President, upon the recommendation of the Secretary of the Treasury, urged the matter upon the attention of Congress, with the result that an act was passed at the last session increasing the compensation of the field force as follows: District superintendents, \$200 per annum; keepers of stations, \$100; surfman No. 1 in each crew, \$5.00 per month; also a ration or commutation therefor at the rate of 30 cents per day for each keeper and surfman, equivalent to an increase for each man of \$9.12 per month. This legislation gives substantial recognition to a most worthy and deserving class of Government employees who pursue a dangerous calling, and who annually save hundreds of lives and many million dollars' worth of property.

Upon the recommendation of the Secretary of the Treasury, also, an act granting authority for the transfer from the Treasury Department Library to the life-saving stations of such books as may be no longer needed in that library, passed both houses of Congress at its late session, but not in time for enrollment and approval by the President before adjournment.

#### **Revenue Cutter Service.**

The act of April 16, 1908, "To increase the efficiency of the Revenue Cutter Service," is the most important piece of legislation in recent years for the improvement of the Revenue Cutter Service. It brought about a general reorganization in the upper grades in the interest of efficiency and good administration. Legislation of this character was recommended to Congress by Secretary Cortelyou, and the measure received his earnest support. Under this act two additional grades each in the line and Engineer Corps were established, thereby affording greater op-



portunity to officers for advancement, with a corresponding increase in the life and strength of the corps. Twenty additional junior officers were authorized for duty as watch officers on the cruising cutters, which will enable the Department to properly officer the ships. The pay of the enlisted men was increased and provision made for placing them on waiting orders at three-fourths pay after thirty years of faithful service. This act has been followed by a marked decrease in the number of desertions and by an increase in contentment among the crews of the vessels.

An increase in the pay of commissioned officers was brought about by the Army Appropriation Bill, approved May 11, 1908, so that officers of the Revenue Cutter Service receive the same pay and allowances as officers of corresponding rank in the army.

During the past four years eleven vessels of all classes have been completed or authorized for the Revenue Cutter Service.

The Service has been making every effort toward rendering assistance to distressed vessels, and its success along these lines is attested by the fact that during the fiscal year ending June 30, 1907, the value of vessels assisted and their cargoes amounted to \$9,186,097.

#### **Bureau of Engraving and Printing.**

For some years past the quarters of this important branch of the Government service have been inadequate for the immense volume of business transacted, and extreme difficulty has been experienced owing to the necessity of crowding large numbers of employees into confined spaces. This condition of affairs will soon be remedied, however, for Congress, at its last session, upon the recommendation of the Secretary of the Treasury, authorized the purchase of a site and the erection of a building, and appropriated over two million dollars towards this purpose. The new building will embody the latest and most improved methods of construction, and will contain every provision for the health, safety, and comfort of the nearly four thousand employees that modern building and sanitary science can suggest.

In the past four years there has been an increase in the output of the Bureau in paper money and securities for general use of nearly thirty-two per cent. and an increase in the number of employees on the rolls for labor of twenty-two per cent. The five hundred million dollars (\$500,000,000) national currency authorized to be issued under act of May 30, 1903, is being produced at the rate of four million dollars (\$4,000,000) per day, so that in case an emergency should ever arise the currency can be distributed to relieve the situation without any delay.

#### **New Gold Coinage.**

For many years the inartistic designs of the coins of the United States have been the subject of criticism, no change except in minor details having been made in any of the coins for a number of years.

In 1904 President Roosevelt took up the question of securing more artistic designs for the coins of the United States, and through his efforts Augustus St. Gaudens, the greatest of American sculptors, was induced to undertake the preparation of designs of the double eagle and the eagle now being coined and placed in circulation.

It can be truthfully said that, without exception, the gold coins of the United States of the new design are the most artistic of those of any country in the world, the credit for which is due to the active interest taken by President Roosevelt successfully to accomplish this purpose.

#### **Public Health and Marine Hospital Service.**

A National Bureau of Health was established under the Treasury Department by an act approved July 1, 1902, which reorganized and added new public health duties to the United States Marine Hospital Service. An advisory board consisting of sanitarians of established national reputations in their various lines of work was appointed for consultation with the Surgeon-General of

the Public Health and Marine Hospital Service relative to the work, and investigations to be carried on in the Hygienic Laboratory then in course of construction. This laboratory was founded for the investigation of infectious and contagious diseases and matters pertaining to the public health. Under this auspicious arrangement much valuable public health work has been done by the public health service, including important investigations on the following subjects: 1. The presence and distribution of hook-worm disease in the United States. This is a subject of great sanitary and economic importance to a large number of our Southern States. 2. The cause of the prevalence of typhoid fever in cities. Typhoid fever has for some time been unusually prevalent in many cities, and few sanitary subjects are of greater importance. 3. The relation of milk to the public health. This work has placed in the hands of health officers and physicians a report containing all available knowledge on the subject. Few questions are causing as much agitation and interest on the part of health officers and physicians as is that of milk, and possibly none are more important. The work done by the Service on the milk problem has been therefore of general utility. 4. The practical uses and application of disinfectants.

The Public Health Service inspects annually all establishments manufacturing and selling in interstate commerce serums, antitoxines and similar products used in the treatment of disease.

In the summer of 1905 yellow fever became epidemic in New Orleans, and spread with such rapidity that it was soon beyond the control of the local sanitary authorities, who then requested the Federal Government to take charge of its suppression. The Public Health Service immediately sent a corps of officers into the affected territory, who took charge of the work. The confidence shown on the part of the people living in the invaded territory and the lack of the usual dread and fear customary in yellow fever epidemics were commendatory of the efficiency of the work done.

In the summer of 1907 plague broke out in San Francisco. As in the previous epidemic of 1900, the local authorities again sought the aid of the National Public Health Service, who since that time have had charge of the eradication of the disease in San Francisco.

This Bureau has charge of the national maritime quarantine, which prevents the introduction of epidemic diseases. It has also conducted the medical inspection of the millions of immigrants who have come to this country.

#### **Work of the Treasury Department in Connection with Public Buildings from July 1, 1904, to March 1, 1908.**

On July 1, 1904, there were 375 buildings, exclusive of Marine Hospitals and Quarantine Stations, completed and occupied. The cost of which, including the amounts spent for the sites, extensions, additions, and remodeling when required, \$135,871,726.31.

Since that date 120 buildings have been completed at an aggregate cost of \$33,886,245.40, and four have been added by legislation and executive orders. This makes a total of 499 public buildings, exclusive of the 43 Marine Hospitals and Quarantine Stations, completed and occupied.

In addition to the above, 30 buildings have been extended or remodeled, at a total expense of \$3,509,397.20.

The following is a summary of the cost of the public buildings:

499 completed and occupied .....	\$169,757,971.71
Extending or remodeling 30 buildings .....	3,509,397.20
Total .....	173,267,368.91

Much money has been spent on sea harbors and the mouths of our rivers at the sea, but comparatively little upon the internal waterways which nature has furnished to the country, and which form highways of travel from one border of it to the other. The call from the country for the development of a well-thought-out plan for the improvement of all these waterways is so emphatic that it cannot longer be resisted.—Hon. Wm. H. Taft, at Kansas City, Mo.



## THE CONSERVATION POLICY.

The policy of the conservation is a development of the present administration of President Roosevelt. Its beginnings are to be found in parts of his annual message of 1906, dealing with public land questions. The first step in definite action to make ready a program was the appointment by the President of the Inland Waterways Commission; and in his letter notifying the members of their appointment, the President formulated the fundamental principles of the policy. The findings and recommendations of that Commission, transmitted to Congress by the President on February 26, 1908, with the special message which accompanied it, was the next step forward; and the White House Conference of May 13, 14, and 15, 1908, which was presided over by the President and attended by the Governors of the States and Territories, including Alaska, Porto Rico, and Hawaii, fairly launched the movement before the country at large.

In his address before the National Editorial Association at Jamestown, Va., June 10, 1907, President Roosevelt said:

"The conservation of our natural resources and their proper use constitute the fundamental problem which underlies almost every other problem of our national life. Unless we maintain an adequate material basis for our civilization we can not maintain the institutions in which we take so great and so just pride; and to waste and destroy our natural resources means to undermine this material basis."

In his message to the 60th Congress, which assembled December 2, 1907, President Roosevelt said:

"The conservation of our natural resources and their proper use constitute the fundamental problem which underlies almost every other problem of our national life. We must maintain for our civilization the adequate material basis without which that civilization can not exist. We must show foresight, we must look ahead. As a nation we do not only enjoy a wonderful measure of present prosperity, but if this prosperity is used aright it is an earnest of future success such as no other nation will have. The reward of foresight for this nation is great and easily foretold. But there must be the look ahead, there must be a realization of the fact that to waste, to destroy, our natural resources, to skin and exhaust the land instead of using it so as to increase its usefulness, will result in undermining in the days of our children the very prosperity which we ought by right to hand down to them amplified and developed."

In his letter inviting the Governors of all the States and Territories to meet with him at the White House, May 13, 14, and 15, 1908, to discuss the question of the Conservation of the Nation's Natural Resources the President said, in part:

"It seems to me time for the country to take account of its natural resources, and to inquire how long they are likely to last. We are prosperous now; we should not forget that it will be just as important to our descendants to be prosperous in their time.

"Recently I declared there is no other question before the nation of equal gravity with the question of the conservation of our natural resources, and I added that it is the plain duty of us who, for the moment, are responsible to take inventory of the natural resources which have been handed down to us, to forecast the needs of the future and so handle the great sources of our prosperity as not to destroy in advance all hope of the prosperity of our descendants.

"It is evident the abundant natural resources on which the welfare of the nation rests are becoming depleted, and, in not a few cases, are already exhausted. This is true of all portions of the United States; it is especially true of the longer settled communities of the East.

"Facts, which I cannot gainsay, force me to believe that the conservation of our natural resources is the most weighty question now before the people of the United States. If this is so the proposed conference, which is the first of its kind, will be among the most important gatherings in our history in its effect upon the welfare of all our people."

The Governors of the States and Territories at the White House assembled, after having discussed the conservation of the country's natural resources for three days, united in the adoption of the following "Declaration of Principles:"

"We, the Governors of the States and Territories of the United States of America, in conference assembled, do hereby declare the conviction that the great prosperity of our country



rests upon the abundant resources of the land chosen by our forefathers for their homes, and where they laid the foundation of this great nation.

"We look upon these resources as a heritage to be made use of in establishing and promoting the comfort, prosperity, and happiness of the American people, but not to be wasted, deteriorated, or needlessly destroyed.

"We agree that our country's future is involved in this; that the great natural resources supply the material basis upon which our civilization must continue to depend, and upon which the perpetuity of the nation itself rests.

"We agree, in the light of the facts brought to our knowledge and from information received from sources which we cannot doubt, that this material basis is threatened with exhaustion. Even as each succeeding generation from the birth of the nation has performed its part in promoting the progress and development of the Republic, so do we in this generation recognize it as a high duty to perform our part; and this duty in large degree lies in the adoption of measures for the conservation of the natural wealth of the country.

"We declare our firm conviction that this conservation of our natural resources is a subject of transcendent importance, which should engage unremittingly the attention of the Nation, the States, and the people in earnest cooperation. These natural resources include the land on which we live and which yields our food; the living waters which fertilize the soil, supply power, and form great avenues of commerce; the forests which yield the material for our homes, prevent erosion of the soil, and conserve the navigation and other uses of the streams; and the minerals which form the basis of our industrial life, and supply us with heat, light, and power.

"We agree that the land should be so used that erosion and soil-wash shall cease; and that there should be reclamation of arid and semi-arid regions by means of irrigation, and of swamp and overflowed regions by means of drainage; that the waters should be so conserved and used as to promote navigation, to enable the arid regions to be reclaimed by irrigation, and to develop power in the interests of the people; that the forests which regulate our rivers, support our industries, and promote the fertility and productiveness of the soil should be preserved and perpetuated; that the minerals found so abundant beneath the surface should be so used as to prolong their utility; that the beauty, healthfulness, and habitability of our country should be preserved and increased; that sources of national wealth exist for the benefit of the people, and that monopoly thereof should not be tolerated.

"We commend the wise forethought of the President in sounding the note of warning as to the waste and exhaustion of the natural resources of the country, and signify our high appreciation of his action in calling this conference to consider the same and to seek remedies therefor through cooperation of the Nation and the States.

"We agree that this cooperation should find expression in suitable action by the Congress within the limits of and co-extensive with the national jurisdiction of the subject, and, complementary thereto, by the legislatures of the several States within the limits of and co-extensive with their jurisdiction.

"We declare the conviction that in the use of the national resources our independent States are interdependent and bound together by ties of mutual benefits, responsibilities, and duties.

"We agree in the wisdom of future conferences between the President, Members of Congress, and the Governors of States on the conservation of our natural resources with a view of continued cooperation and action on the lines suggested; and to this end we advise that from time to time, as in his judgment may seem wise, the President call the Governors of States and Members of Congress and others into conference.

"We agree that further action is advisable to ascertain the present condition of our natural resources and to promote the conservation of the same; and to that end we recommend the appointment by each State of a Commission on the Conserva-

tion of Natural Resources, to cooperate with each other and with any similar commission of the Federal Government.

"We urge the continuation and extension of forest policies adopted to secure the husbanding and renewal of our diminishing timber supply, the prevention of soil erosion, the protection of headwaters and the maintenance of the purity and navigability of our streams. We recognize that the private ownership of forest lands entails responsibilities in the interests of all the people, and we favor the enactment of laws looking to the protection and replacement of privately owned forests.

"We recognize in our waters a most valuable asset of the people of the United States, and we recommend the enactment of laws looking to the conservation of water resources for irrigation, water supply, power, and navigation, to the end that navigable and source streams may be brought under complete control and fully utilized for every purpose. We especially urge on the Federal Congress the immediate adoption of a wise, active, and thorough waterway policy, providing for the prompt improvement of our streams and the conservation of their watersheds required for the uses of commerce and the protection of the interests of our people.

"We recommend the enactment of laws looking to the prevention of waste in the mining and extraction of coal, oil, gas, and other minerals with a view to their wise conservation for the use of the people, and to the protection of human life in the mines."

#### **The Forest Policy.**

The Forest policy of the Government is not a party issue, for it has had the support of both the Republican and the Democratic parties, but it has been developed mainly under Republican leadership. President Roosevelt has done more than any other President to establish and extend it, through his messages to Congress and through executive action in creating National Forests (or "reserves"). These Forests, preserved for the use of the people as unfailing supports of industry and sources of present and future prosperity, will be for all time a national monument to his foresight.

The law authorizing the creation of National Forests was passed by a Republican Congress (the Fifty-first) and action under that law was begun by a Republican President (Harrison). The law authorizing the administration of these Forests along the present lines was passed by another Republican Congress (the Fifty-fifth). The law transferring the control of the Forests from the Department of the Interior to the Department of Agriculture was passed by the Republican Fifty-eighth Congress. The appropriations for the Government's forest work have from 1898 to the present time been increased by successive Republican Congresses. It may justly be claimed that the Republican party, the party of action, has contrived and put into effect this great and now accepted policy, though the Democratic party, the party of opposition, has never disputed its wisdom.

Under these laws, there have been set aside and placed under the administration of the Forest Service over 166,000,000 acres of the public domain. This land is kept in public ownership for the public benefit. The National Forests embrace the more mountainous parts of the West. They maintain the flow of streams, conserving water supply for irrigation and power, as well as maintaining a steady supply of timber for the West. They also permit the best use of the forage crop without injury to other interests. They do not close the land to prospecting and mining development, nor to agriculture where the land is more valuable for agriculture than for forest growth, but they protect the general welfare by preventing the evils which follow forest destruction. They are administered by the Forest Service, which opens them to every use consistent with the permanent good of the West. Mature timber is sold, or is given away to settlers and communities for whom it would be a hardship to buy, under regulations which insure the perpetuation of the forests through new growth. Each National Forest is in charge of a Supervisor, who is a local agent to conduct business with forest



users and to look after the protection of the forest. Under him are forest rangers and guards. These local officers are Western men, in touch with local conditions, but controlled by the Forester, who administers the policy embodied in existing law by the Acts of Congress.

The fundamental principle of this policy is development. Before the administration of these Forests was provided for their resources were closed against the public. Now they are for all the use that can be got out of them—the more the better so long as it is real use, not spendthrift waste. They are for all kinds of use, not for one kind merely; for the benefit of the public, not for the personal benefit of the first man who might be able to get hold of them, regardless of the injury he might do to the public.

Development of these Forests is taking place through heavy expenditures by the Government, but these expenditures are wise because they will greatly increase the usefulness of the Forests. In the last two years Congress has appropriated \$1,100,000 for such permanent improvements as roads, bridges, trails, telephone lines, fire-fighting equipment, and rangers' quarters. These are investments of capital for the public benefit. Settlers, stockmen, miners, lumbermen, all who use the Forests, will profit by them. They will also aid in the protection of the Forests. To promote use the Forest must be opened up. All that they have in them must be made accessible.

This development of the Forests is for the sake of the development and permanent welfare of the country, not for the sake of the Government as their owner. The Government is not in the position of a landlord. If private interests owned and developed them it would be for the sake of the return they could be made to yield in money profits. The Government is developing them for the sake of the return they can be made to yield in sustained prosperity. The standing timber is cut as it is needed by the people without decreasing the flow of water—also needed by the people—without causing rivers and harbors to fill up with mud as they are all the time filling up in the East, and without loss of the power of the land to grow more forests for future use. The preservation and fullest development of the water of the United States, for use in irrigation, as a means of transportation, and as a source of power, is vital to our future welfare.

Forest preservation concerns every great Western interest. The interests of the farmer, the stockman, the miner, the lumberman, the merchant, and the transportation company, with that of the labor which they employ, demand and will demand continued supplies of water or wood from the National Forests. It is true that what is sometimes called development could be brought about faster by giving these Forests away. If Congress should open the National Forests to homestead entry without restrictions, some of the States with large National Forests in them would develop very rapidly—for a time. The National Forests are now open to homestead entry wherever the land is chiefly valuable for agriculture. Some of the "homesteads" applied for have from \$10,000 to \$15,000 worth of timber on them. If all timberland were open to entry, every man who will stop to think twice knows what would be the result. There would be a big boom while the timber lasted, followed by a collapse. It would be good for the people who would pocket the proceeds and move away, but bad for the country. It would be good for the lumber business while the forests were being cut, but the death of the lumber business when they were gone. It would for a few years make plenty of work, put money in circulation, and stimulate trade, but it would in the long run mean the decline and ruin of many communities and the impoverishment of the State.

But it may be asked: If the Forest policy is to develop the Forests for the benefit of the people, not for the benefit of the Government as landlord, why does it lay a tax on those who use them? The Government no more lays a tax on users of the Forests when it charges them for value received than it lays a tax on other citizens when it receives money for postage stamps sold or for land taken up. In the last ten years it has spent, to develop and protect the Forests for the benefit of the people, who



own them, and to carry on the business incidental to their use, about \$7,000,000. It has received from them in these ten years about \$4,600,000. The receipts from the Forests are now increasing rapidly, but so are the expenditures necessary to develop their usefulness. The cost of keeping them from burning up, of seeing to it that they are so used that the rights of everybody are protected, of seeing that the Forests are made to yield right along, year after year, as much wood, as much water, and as much forage as possible for the support of the Western people and their industries, added to the cost of permanent improvements, is bound to be heavy. Therefore the consumers of the wood and forage which the forests grow, and those who sell for their own profits the power which streams within the Forests supply, are called on to make a reasonable contribution toward the maintenance and development of these sources of their individual gain. No other arrangement would be either fair or possible. Congress could not justly take from the National treasury the great sums which must be spent yearly upon these Forests while making a free gift to a comparatively few individuals of wood, forage, and land for power development, that they may enrich themselves at public expense. The States in which the National Forests lie are still debtors to the Nation for expenditures on their behalf, and will probably remain so for a good while to come.

Though the Government has steadily increased the expenditures for carrying out its forest policy, the net cost to the people for this work was less in the fiscal year 1907 than in any previous year since 1899, the very first year in which anything at all was spent on the reserves. Yet in 1899 there were only 46,000,000 acres of National Forests, while in 1907 there were 150,000,000 acres. The following statement shows what all the forest work of the Government has cost each fiscal year, beginning with 1899, what the forests have yielded to the Government, and what the total area of the National Forests has been at the end of each year:

*Statement of expenditures on account of Forestry and receipts from National Forests.*

[Expenditures for 1908 based on allotments; receipts estimated.]

Fiscal year.	Appropriations (includes amounts expended from receipts fund 1900-1908).		Receipts from sale of timber, grazing, etc.	Total area of National Forests.
	Division of Forestry, Bureau of Forestry (Forest Service), Department of Agriculture.	General Land Office, Department of the Interior.		
1899-----	\$23,520.00	\$175,000.00	\$7,534.83	46,021,889
1900-----	38,520.00	210,000.00	36,751.02	46,772,129
1901-----	88,520.00	325,000.00	29,250.88	46,410,209
1902-----	185,110.00	300,000.00	25,131.87	60,175,765
1903-----	291,860.00	304,135.00	45,838.08	62,351,965
1904-----	350,000.00	375,000.00	58,436.19	62,763,494
1905-----	632,232.35	217,907.64	72,276.15	85,627,472
1906-----	1,130,419.78	-----	767,219.96	106,999,423
1907-----	1,790,678.79	-----	1,571,059.44	150,831,665

a Administration of National Forests transferred to Forest Service, February 1, 1905.

The Forest policy of the Government is not confined to the care and development of the forests which the National Government owns and holds as trustee for the people. It includes also the effort to bring about the best use of all timber lands and all forest products in the United States, in the interest of the general welfare, which is so clearly dependent on continuing supplies of wood and water. The Forest Service studies to find out both how to make the best use of what we now have on hand and how to get more as cheaply, abundantly, and rapidly as possible.

If the cost of these studies and of the educational work carried on by the Service were deducted from the total expenditures for the fiscal year 1907, the remainder would be less than the income to the Government from the National Forests. In other words, these Forests in that year carried themselves. Because of their growing economic importance, Congress authorized the policy of making expenditures to develop their importance still further, so that now the Government is again spending more money on the National Forests than it is receiving from them. In so doing it is simply investing the money for the present and future benefit of the people, and protecting great public property from burning up.

In holding and developing these great resources, conserving timber and water, regulating grazing, and controlling those who use the Forests for the development of power, the Government is fundamentally helping the home builder. At every point it is working to increase the number of those who own their own homes, the typical American as contrasted with the typical European, who is a tenant paying tribute to a landlord. The National Forest policy makes oppressive monopoly of the best resources of the West impossible. To the extent that the ordinary citizen has to turn to one man or one set of men for anything which he can not do without and which he can not get elsewhere—whether it is land, or water, or coal, or means of transportation, or opportunity to labor, or permission to engage in business—just to that extent he is in the grip of a monopoly. Just to the extent that this monopoly seeks to take advantage of his necessity is the monopoly oppressive. The only trustworthy guaranty that the ordinary citizen can have that a monopoly will not be used to oppress him is Government control of it. For the Government of this country is itself controlled by the citizens of the country.

Government control of the resources of the Forests prevents the control of those resources by private monopolies. These are things which some one must own. Is it better for the ordinary citizen that this some one should be the nation, or private individuals, or corporations? Is it better for him to buy timber from an agent of the Government, who holds his place as a servant of the public, or from the local representative of a timber monopoly which cares nothing whatever about the public? Is it better that use of the range in National Forests should be allotted on the basis of past use and residence, or on the basis of the highest price? Is it better that the development of hydraulic power—a matter capable of complete monopoly in the West—should fall absolutely into the hands of corporations free to collect from the public whatever they choose to ask, with no return to the public for the use of its own resources, or that the Government should control the monopolists in the interest of equitable exercise of their power over the industrial life of the communities dependent on them?

Yet with all this, if the effect of Government control were to prevent the everyday citizen from making a home for himself, there would be good ground for criticism. But just the reverse is true. The number of permanent homes which can be maintained in the West is, through control of the Forests by the Government, greatly increased. For the permanent means of livelihood are increased.

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American wage-workers work with their heads as well as their hands. Moreover, they take a keen pride in what they are doing; so that, independent of the reward, they wish to turn out a perfect job. This is the great secret of our success in competition with the labor of foreign countries.—President Roosevelt, in message to Congress, Dec. 3, 1901.

The administration of exact justice by courts without fear or favor, unmoved by the influence of the wealthy or by the threats of the demagogue, is the highest ideal that a government of the people can strive for, and any means by which a suitor, however unpopular or poor, is deprived of enjoying this is to be condemned. It is important, however, that appeals to judicial remedies should be limited in such a way that parties will not use them merely to delay and so clog efficient and just executive or legislative action.—Hon. Wm. H. Taft, at Columbus, Ohio.



## THE CIVIL SERVICE.

The chief criticisms of the Civil Service of the United States indulged in by the opponents of the Republican party are based either upon a total misapprehension or a willful misstatement of facts.

The Civil Service law was enacted in 1893 for the purpose of stopping the flagrant abuses which had developed under the old patronage system of appointments. Under that system the government service in the Departments at Washington had become inefficient and extravagant. Public office was considered a perquisite of the party in power, not a public trust.

It was to remedy such evils that the Civil Service law was enacted, and during the twenty-five years of its enforcement there has been developed a high order of industry, integrity, and efficiency in the public service. This development has, of course, not been free from difficulties. Mistakes have been made, but year by year the merit system has been improved and extended until now the competitive classified service covers about 197,000 Federal officials and is recognized as necessary for good administration.

The conclusive answers to the criticisms are the following plain statements of existing conditions and the course of the Republican party during the twelve years in which it has had control of the administration:

*First.*—Entrance to the Federal classified service is not dependent upon personal or political influence; hence the service is now composed of self-respecting, independent men and women who appreciate that advancement will depend upon individual industry and ability. They do not constitute a body of permanent officeholders who are protected from removal even though inefficient and incapacitated, as charged. The power of removal is absolute in the head of every Department. The only limitations upon causes of removal are that employees must be treated with justice, that like penalties must be imposed for like offenses, and that no person shall be removed from a competitive position except for such cause as will promote the efficiency of the service. The only limitation involved in the procedure prescribed by the Civil Service rules for removal is that the cause of removal shall be stated in writing and filed, and when misconduct is committed in the view and presence of the President or head of an Executive Department removal may be made summarily and not even a statement of reasons is required to be filed. No notice is required to the employee; no trial and no opportunity for a hearing need be given him under the rules. The only limitation is, as stated, that the cause of removal must be one which will promote the efficiency of the service; that is, must be, for instance, for misconduct or negligence or laziness, or some such cause; and that one employee shall not be punished in a different manner from what another is punished.

The Civil Service Commission strictly enforces the prohibition against making removals for political reasons; but its authority is limited to the enforcement of that prohibition.

The merit system does not result in an undue permanency of tenure. 48.2 per cent. of the employees in the classified service of the country have served less than five years, and 72.5 per cent. have served less than ten years. In the District of Columbia naturally the service is more stable, and in the departments at Washington 30.8 per cent. have served less than five years and 56.1 per cent. less than ten years. The appointments made as a result of the examinations in the entire service are at the rate of 3,600 per month; about 22 per cent. of the entire service and about 15 per cent. of the departmental service in Washington



changes each year. The inefficient employee gives way to the efficient, or the efficient employee finds private work more profitable or more congenial.

The charge that the service is filled with superannuated clerks is unfounded. 60.7 per cent. of the employees are less than forty years old, and 91 per cent. less than sixty years old. In Washington less than 53.1 per cent. are less than forty, and 7 per cent. less than sixty years old.

*Second.*—It is not claimed that a competitive examination is an absolutely correct means of determining the qualifications of applicants, but it is the best means yet devised. The Civil Service Commission is constantly changing the character of the examinations to meet the special requirements of particular places. The experience of twenty-five years has shown definitely that the average examination can be passed by any intelligent person who has had a common school education, and does afford a remarkably accurate basis for the determination of the relative ability of applicants.

As a result of the examination for scientific and technical positions, there have been built up various corps of thoroughly trained men who have placed the scientific work of this Government in the forefront among the nations of the world. This has been particularly true, and the results obtained have been of great practical value, in the Departments of the Interior, Agriculture, and Commerce and Labor.

*Third.*—It is a mistake to suppose that the Civil Service Commission exists simply for the purpose of enforcing the law and rules. Its purpose is to provide the most efficient eligibles possible for every branch of the service. It looks to the good of the service, not to the mere enforcement of a rule. It is the barrier against the spoils system, but it does not protect the inefficient or dishonest employee.

The ideal Civil Service law should close the door to entrance into the public service except through a method which can be followed by any qualified person without political influence or favor, but leaves to the executive authorities the power to remove for any cause, other than political or religious. It is toward this ideal that the present Administration is working.

The business of the Government has grown in proportions not appreciated by the people at large. The executive departments are made responsible for the expenditure of about \$600,000,000 annually. Such expenditures can be wisely and honestly made only by exercising the highest degree of business ability and selecting efficient, capable employees who will make good service to the Government their ambition. The Republican party has proved that under its administration the business of government is so conducted. President Roosevelt, the party's present representative, has appointed men of recognized ability and judgment to carry on executive work. He has made no promises impossible of fulfillment. By precept and example he has inspired public officers to a higher sense of duty. In this administration neither personal nor political influence has availed to save the corrupt official from punishment. American citizens should remember and take to heart these words of the President:

"The most successful governments are those in which the average public servant possesses that variant of loyalty which we call patriotism, together with common sense and honesty. We can as little afford to tolerate a dishonest man in the public service as a coward in the army. The murderer takes a single life; the corruptionist in public life, whether he be bribe giver or bribe taker, strikes at the heart of the commonwealth. In every public service, as in every army, there will be wrongdoers, there will occur misdeeds. This can not be avoided; but vigilant watch must be kept, and as soon as discovered the wrongdoing must be stopped and the wrongdoers punished."

Mr. Taft has, during his entire political career, been a steady and efficient supporter of the improvement of the Civil Service. He introduced the merit system into the government of the Philippines; he has had charge of one of the great Departments of the Government under the administration of President Roosevelt, and whatever commendation is due to President Roosevelt in his course in the handling and the improvement of administration is shared by the present candidate of the party, who has loyally and consistently supported the reforms which President Roosevelt has introduced.

**British Manufacturers Advocate Tariff Reform.***London, April 27, 1908.*

The progress of tariff reform in England is well illustrated by the action of the Associated Chambers of Commerce at their recent meeting in London. This is the most important commercial body in Britain, and it represents the business life of the country. The question before it for decision was "That this Association, while approving of the principle of free exchange recognizes the grave danger to which our industrial population is exposed by the action of scientifically imposed foreign tariffs, and is of opinion that steps should be taken to mitigate the evil by the reform of our tariff."

In a vote this resolution was adopted by 40 to 30, there being 31 neutral. As showing the advance of the movement a similar motion was rejected by 69 to 27 when made three years ago.

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**We are not a nation of classes, but of sturdy, free, independent and honorable people, despising the demagogue and never capitulating to dishonor.—McKinley's letter of acceptance, 1896.**

The present phenomenal prosperity has been won under a tariff made in accordance with certain fixed principles, the most important of which is an avowed determination to protect the interests of the American producer, business man, wage-worker, and farmer alike.—President Roosevelt.

We have had great problems before and have solved them rightly—that is the American way of solving problems. We must approach these new ones in the same spirit with which we approached and successfully solved those which have gone into history.—Hon. George E. Cortelyou, at Urbana, Illinois, June 7, 1905.

They tell us that a protective tariff was only designed for infant industries, that we have outgrown that infancy, and are no longer in need of the duties that enabled us to get them started. We have grown, it is true. Our great industrial concerns are monsters now, but let me tell you, as the boy said who waited till he had grown up before tackling a youthful opponent, the other fellow has grown up too.—Hon. James S. Sherman.

In the great battle of 1896 the Republican party again stood for the maintenance of the integrity of the nation. The fight was against odds produced by a great industrial depression, and against the most sophistical arguments. The Republican party maintained a campaign of education among the wage-earners and the farmers, which ultimately led to the complete defeat of this second financial heresy which has threatened the integrity of our business structure.—Hon. Wm. H. Taft, at Kansas City, Mo.

Under the system of protection every hour of honest toil purchases more of material comfort for the toiler than is attainable under any other system, the degree of such advantage being contingent upon the completeness and accuracy of the application of the protective system. This advantage comes directly or indirectly to all classes of toilers, be they weavers, spinners, carpenters, painters, machinists, farmers, doctors, editors, or teachers.—Hon. H. B. Metcalf, Pawtucket, R. I., in the American Economist.

Mr. Bryan's whole system of remedies for the evils that both Mr. Roosevelt and he and many others recognize, is based on his distrust of the honesty, courage and impartiality of the individual as an agent on behalf of the people to carry on any part of government and rests on the proposition that our present system of representative government is a failure. He would have government ownership of railways because he does not believe it is possible to secure an interstate commerce commission that the "money power" cannot and will not ultimately own. He would have the initiative and referendum because he distrusts representative government and has no confidence in the ability of the people to find men who will conscientiously, and free from the influence of the "money power," represent them in preparing and voting legislation. He would take away from courts, because he distrusts the ability of judges to resist the malign influence of the "money power," the power to enforce their own orders until a jury is called to tell the court whether the order has been disobeyed, and thus, in practice, though not in theory, the jury would come to pass on the correctness and justice of the court's order.—Hon. Wm. H. Taft, at Columbus, Ohio.



# THE NON-CONTIGUOUS TERRITORY OF THE UNITED STATES.

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The last decade has developed a new quality in the American, the power to successfully govern noncontiguous territory occupied by people of nationalities, customs, and civilization differing widely from our own, and living under climatic and other conditions also widely different from those to which we have been accustomed. This new work has required the American soldier, sailor, and citizen to study the characteristics of and devise means of government for the millions in the Philippine Islands, and with them large numbers of Chinese and not a few other orientals: the thousands of Chinese and Japanese of the Hawaiian Islands, the mixed Spanish and native population of Porto Rico, Cuba, and Panama; and, passing from the tropics to the Arctic, the Eskimo and Indian of Alaska. In all of these cases the advent of American influence has brought civilization, education, improvement of public health, better transportation facilities, diversification of industries, increased commerce, increased earnings, and with all of these a growing share in domestic government, and produced prosperity, peace and contentment. The establishment of peace has been in every case the first purpose, and following this the introduction of educational facilities, the development of transportation, and with this the development of commerce. Schoolhouses, roads, railroads, canals have followed the American flag, and the American soldier, sailor, or civil administrator in all of these various and widely separated sections of the world, and these in turn have been followed by closer relations between the United States and the 12 million people occupying these scattered sections, now known as the noncontiguous territories of the United States, omitting from this category, of course, Cuba, which is but temporarily under American control, and will within a few months be again established as an independent American Republic. In chapters which follow the conditions now prevailing in these various sections of the world, and commonly designated as the noncontiguous territories of the United States are set forth in detail. It is not improper to say, before entering upon a discussion of these conditions, that the trade of the United States with this noncontiguous area—the Philippines, Hawaii, Alaska, Porto Rico, and the Panama Canal strip—has grown from 35 million dollars in 1897 to 160 millions in 1907. The imports from these various territories have grown from 24 millions in 1897 to 77 millions in 1907, and the exports to them from 11 millions in 1897 to 83 millions in 1907. In this important work no citizen or official of the United States has performed a greater or more varied and difficult work than has Mr. Taft, in his services in the Philippines, in Cuba, and in Panama.

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## THE PHILIPPINE ISLANDS.

The assumption of sovereignty over the Philippine Islands on the part of the United States was not a matter of voluntary action, but was developed suddenly and unexpected as the result of a victorious war. The burden of its unavoidable obligations had to be promptly met. A government had to be built from the ground up—a government involving all the phases of law and conditions of a people numerically greater than the size of the United States at the time the Federal Constitution was adopted, yet on account of the conditions under which they had so long lived they were for the time being at least incapable of self-government. They were scattered over a territory whose extent north and south, measured by the time required to travel, was equal to the great coast line of the United States between Eastport, Maine, and the Florida Straits.



or, more plainly stated, whose territorial length from Bashi Channel to Sibuto Island is not less than the length of a ship pathway between Canada and the Gulf of Mexico—a people with no language of their own, divided into about twenty separate and distinct classes or clans, each with a dialect or Spanish patois not always understood beyond the immediate locality in which it was spoken—a people such as no other nation on earth before had ever been called upon to tranquillize, control and govern, and, in a measure, to civilize as well as to train and educate in the duties of modern citizenship. Such a people as they in a tropical country thousands of miles from our own shores, on the opposite side of the globe, in fact, fell suddenly under the care and protection of the United States, a country without experience in governing or developing a tropical or oriental people.

#### **The First Steps in Government of the Island.**

Necessarily, of course, the first steps taken with respect to the establishment of American dominion over the Philippine Islands were war measures. Spain had suddenly lost both prestige and dominion over the Philippines, and the American Army as an unavoidable act of war naturally had to exercise its functions in martial government. But from the very start care was exercised to do away as much and as speedily as possible with the austerity and rigor of martial law and almost from the beginning the military government was dualized by delegating certain powers to a Civil Commission, which at first shared authority with the military government and finally supplanted it.

Civil government in the Philippine Islands, however, as distinguished from military administration, dated from the appointment in March, 1900, by President McKinley, of what is now generally known as the "Taft Philippines Commission." In creating this commission and authorizing it to assume and discharge the functions of government, the President still exercised the war power of the nation, for the commission thus created was an instrumentality for the exercise of authority by the President, as Commander-in-Chief of the Army and Navy of the United States, to administer the affairs of civil government in territories subject to military occupation. The Commission thus established, however anomalous it may have seemed, was a civic agency for the exercise of the power of military government, and, being without precedent, it may be regarded now as one of those beneficent, wise, and valuable achievements in our national history which seems to have been inspired by a power beyond the ordinary human comprehension.

It is now more than seven years since President McKinley committed the government of the Philippine Islands to the control of the Philippine Commission with William H. Taft at its head, subject to the supervision of the Secretary of War and meanwhile, during all those years of gradual betterment of the conditions prevailing on these Islands, there have been no discoveries of any radical error in the original form of government or anything to lessen the faith of the Filipino or American people in the promises of the United States Government. On the contrary there were so few points to be changed when the matter of the Philippine Government came before Congress for revision and enactment in detail that Congress after full deliberation and careful consideration, continued the whole question of the Philippine Government and its administration in the hands of the Chief Executive of the United States whose original instructions and decrees as well as other amendatory and incidental acts found necessary subsequently were not only approved in the main but continued in force with all the authority which combined governmental action could give them.

#### **Purpose of the Taft Commission.**

The general purpose of the Taft Commission as announced by President McKinley was "to continue and perfect the work of organizing and establishing civil government already commenced by the military authorities" in the Philippines, subject in all respects to any laws which Congress might thereafter

act. And as a fundamental step in giving civil government to the people of the Philippines, it was determined that there should be a separation of the executive, the legislative, and the judicial branches, and that the powers of these several branches should be exercised by different persons. Accordingly, the legislative powers were conferred upon the Commission, the judicial powers were to be exercised by the courts, which themselves were to be established through legislative action of the Commission, and the authority to exercise the executive powers was continued in the commander of the military forces of the United States, where in the beginning it had been placed in maintaining the occupancy of the Islands.

The year following this arrangement of governmental power, in June, 1901, the President of the United States appointed Hon. William H. Taft Civil Governor of the Philippine Islands, and transferred from the Military Governor to him as President of the Philippine Commission the authority to exercise the powers of the executive branch of the government in all the pacified provinces of the Islands, but continuing the authority of the Military Governor to exercise authority in those districts in which the insurrection continued to exist.

On the 1st of September, 1901, a further step toward civil executive organization was made by the establishment of separate executive departments to which members of the Commission were assigned.

The administrative affairs of the government through these newly instituted executive departments were apportioned among several newly organized Bureaus or officers in each Department, embracing all administrative duties pertaining to the various affairs of the Islands, such for example as Health, Quarantine and Marine Hospital Service, Forestry, Mining, Agriculture, Fisheries, Weather, Ethnology, Public Lands, Patents and Copyrights, Post Offices, Telegraphs, Coast and Geodetic Surveys, Public Works and Public Buildings, Insular Constabulary, Prisons, Corporations, Immigration, Internal Revenue, Banks and Banking, Coinage and Currency, Justice, Public Instruction, Public Charities, Public Libraries, Museums, Public Records, Official Statistics, Public Printing, Architecture, etc., including in fact very detail of administrative government known in a civilized and self-governing community.

It was in the same year that the President appointed three distinguished Filipinos as additional members of the Commission; and on October 29, 1901, in order to relieve somewhat the great pressure of official duties devolving upon Civil Governor Taft, the President created the office of Vice-Governor and appointed Hon. Luke E. Wright to that position. Mr. Wright subsequently became President of the Commission in 1903, succeeding Mr. Taft, who had resigned to accept the position of Secretary of War.

#### **Self-Government in Municipalities.**

Pursuant to the instructions of the President of the United States, the Commission by proper legislation made provisions for municipal government to be established throughout the islands as quickly as conditions permitted. They also passed a general act for the organization of provincial governments in the Philippine Islands. A judicial system was created under which the several newly established courts assumed the exercise of judicial powers, and the insular constabulary and municipal police were created and installed. A system of civil service was provided for and put into operation by due enactments, together with a system of account and audit, which were adopted and rigorously enforced. A system of education, too, was installed and forestry laws providing for the preservation and utilization of the public forests were adopted and enforced. In addition to all these careful provisions of good government, a wise and extensive system of public improvements and repairs was adopted, and adequate means of securing revenue by the levy of duties and taxes were duly devised and put in force.

So careful, thorough and complete were the various features of government formulated by the Philippine Commissioners, with due regard to the principles of Liberty, Equality and



Justice prevailing in the United States, that Congress in 1902 after careful investigation of all that had been done for the government of the Philippine Islands, placed the seal of official legislative approval upon the governmental organization in those Islands, ratifying, approving and confirming each and every one of the acts theretofore done and performed in connection therewith, and besides conferred upon the said Philippine Government additional authority and discretionary rights which not even the President of the United States had previously had authority to bestow.

Pursuant to this legislation of the Fifty-seventh Congress there was soon afterwards established in the Philippines an extended throughout the civilized portions of those Islands, civil government which in certain respects is more extensive in its local and independent character than that which exists in any of the States or Territories of this Union. Indeed, not being limited by the Constitution in its legislation on this subject, as in matters relating to the United States, Congress was able to delegate to local government of the Philippine certain valuable powers which cannot under our Federal Constitution be given to the States of the Union. It might therefore be asserted that no integral or segregated portion of the territory of the United States subject to Federal sovereignty is to-day exercising by itself and for itself so many of the powers of governmental sovereignty as are exercised in the Philippine Archipelago.

#### **Temporarily Withheld Privileges.**

While all this is so, however, there are two rights or privileges guaranteed to the citizens of the United States by the Federal Constitution which are not yet granted to the Filipino, namely, the right to bear arms and to trial by jury. On this point Secretary Taft, in a report to the President, said:

"The right to bear arms is one that cannot safely yet be extended to the people of the Philippines, because there are among these people men given to violence, who with the use of arms would at once resort to larceny as a means of livelihood. The temptation would be too great and ought not to be encouraged. Nor are the people fit for the introduction of a jury system; not yet has any considerable part of the community become sufficiently imbued with the sense of responsibility for the government and with its identification with the government. The responsibility and identification are necessarily before jurors can sit impartially between society and the prisoner at the bar. Without it there are certain always to release the prisoner and to sympathize with him in the prosecution against him. The fair treatment of the prisoner sufficiently secured in a country never having had a jury trial by the absolute right of appeal from the decision of a single judge to the decision of seven judges, with a writ of error thence to the Supreme Court of the United States. It may be that in the future it will seem wise gradually to provide for a jury in various classes of cases, but at present it would be premature.

"The civil rights conferred by Mr. McKinley's instructions were expressly confirmed by the organic act of July 1, 1902. It has been the purpose of the Philippine government to make the extension of these rights a real thing and a benefit for the poorer Filipino, and progress is being made in this direction. The great obstacle to it arises from the ignorance of the people themselves as to what their rights are and their lack of knowledge as to how these rights may be asserted.

"The work of impressing a knowledge of these things upon the people goes, however, rapidly on, and with the education in English of a new generation and their succession to the electorate, we can be certain that the spread of education as to popular rights and the means of maintaining them will be wider and wider, until we can have a whole community who know their rights, and knowing, dare maintain them.

"Charges have been made that the existing Philippine government has not properly preserved these guaranties of civil rights. It is true that the Commission has, in effect suspended these guaranties in a condition equivalent to one of war in some of the provinces, and has been sustained in so doing by the Supreme Court of the Islands and of the United States. It is also true that during a condition equivalent to war, the Commission provided that no one should advocate independence even by peaceable means, because agents of insurrection were inciting actual violence under the guise of such peaceable propaganda. With the coming of peace, the statute ceased to have effect. To-day, however, the writ of habeas corpus runs without obstruction. The liberty of the press and of free speech is real. There is no censorship of the press and no more limitation upon its editors than there is in the City of Washington. The publication of criminal libel or seditious language calculated and intended to cause public riot and disturbance is punishable in Manila and the Philippine as it is in many of the States of the Union. This freedom of discussion and this opportunity to criticize the government, educate the people in a political way and enable them more intelligently to exercise their political rights."



**General Policy of the United States Towards the Philippines.**

In his recent special report to the President on Philippine affairs after his visit to the Philippine Islands, in October last, Secretary Taft said as follows:

"The policy of the United States toward the Philippines is, of course, ultimately for Congress to determine, and it is difficult to see how one Congress could bind another Congress, should the second conclude to change the policy declared by the first. But we may properly assume that after one Congress has announced a policy upon the faith of which a whole people has for some years acted and counted good conscience would restrain subsequent Congresses from lightly changing it. For four years Congress in silence permitted Mr. McKinley and yourself, as Commanders-in-Chief of the Army, to adopt and carry out a policy in the Philippines, and then expressly ratified everything which you had done, and confirmed and made part of the statute certain instructions which Mr. McKinley issued for the guidance of the Philippine Commission in making civil government in the Islands. Not only this, but Congress closely followed, in the so-called organic act, your recommendations as to provisions for a future change in the Philippine Government. The national policy may, therefore, be found in the course pursued and declarations made by the Chief Executives in Congressional messages and other state papers which have met the approval of Congress.

"Shortly stated, the national policy is to govern the Philippine Islands for the benefit and welfare and uplifting of the people of the Islands and gradually to extend to them, as they shall show themselves fit to exercise it, a greater and greater measure of popular self-government. One of the corollaries to this proposition is that the United States in its government of the Islands will use every effort to increase the capacity of the Filipinos to exercise political power, both by general education of the densely ignorant masses and by actual practice, in partial self-government, of those whose political capacity is such that practice can benefit it without great injury to the efficiency of government. What should be emphasized in the statement of our national policy is that we wish to prepare the Filipinos for popular self-government. This is plain from Mr. McKinley's letter of instructions and all of his utterances. It was not at all within his purpose or that of the Congress which made his letter part of the law of the land that we were merely to await the organization of a Philippine oligarchy or aristocracy competent to administer government and then turn the Islands over to it. On the contrary, it is plain, from all of Mr. McKinley's utterances and your own, in interpretation of our national purpose, that we are the trustees and guardians of the whole Filipino people, and peculiarly of the ignorant masses, and that our trust is not discharged until those masses are given education sufficient to know their civil rights and maintain them against a more powerful class and safely to exercise the political franchise. This is important, in view of the claim, to which I shall hereafter refer, made by certain Filipino advocates of immediate independence under the auspices of the Boston anti-imperialists, that a satisfactory independent Philippine government could be established under a governing class of 10 per cent and a serving and obedient class of 90 per cent.

"Another logical deduction from the main proposition is that when the Filipino people as a whole show themselves reasonably fit to conduct a popular self-government maintaining law and order and offering equal protection of the laws and civil rights to rich and poor, and desire complete independence of the United States, they shall be given it. The standard set, of course, is not that of perfection or such a governmental capacity as that of an Anglo-Saxon people, but it certainly ought to be one of such popular political capacity that complete independence in its exercise will result in progress rather than retrogression to chaos or tyranny. It should be noted, too, that the tribunal to decide whether the proper political capacity exists to justify independence is Congress and not the Philippine electorate. Aspiration for independence may well be one of the elements in the makeup of a people to show their capacity for it, but there are other qualifications quite as indispensable. The judgment of a people as to their own political capacity is an unerring guide.

"The national Philippine policy contemplates a gradual extension of popular control, i. e., by steps. This was the plan indicated in Mr. McKinley's instructions. This was the method indicated in your recommendation that a popular assembly be made part of the legislature. This was evidently the view of Congress in adopting your recommendation, for the title of the act is 'For the temporary government of the Philippine Islands' and is significant of a purpose or policy that the government then being established was not in permanent form, but that changes in it from time to time would be necessary."

**General Review.**

No better review of the governmental policy adhered to in the Philippines and the splendid results achieved under it could be found than this recent interesting special report of Hon. William H. Taft, Secretary of War, made to President Roosevelt after the former's return from his last visit to Manila, where in October last he personally as the representative of the President of the United States opened the General Assembly of the Philippine Islands. To attempt either to dissect or to condense or in any way to minimize that report would be unjust both to its author and to the important subjects with which it deals. It

self full and complete in its satisfying explanations, that report need in this connection only be referred to in a general way, inasmuch as it is available to all persons who may be interested in the Philippine question. Copies can be obtained by application to the War Department.

In this immediate connection, however, reference must be made undoubtedly to at least one feature of that report which concerns the crowning act of the United States Government's generous and wise policy of help to the Filipino people.

It will be remembered that in the very beginning when the military government was established, care was taken to dualize that government by injecting into it the anomalous feature of civic authority, which in time was made to grow as the Filipino people seemed less to demand the rigors of military control. As the people became obedient to the laws of the land and showed an inclination to avail themselves of the splendid opportunities of peaceful help offered by the United States Government, the powers of the military were lessened and those of the civic government were enlarged. Finally, as we have seen before in the course of this cursory account of Philippine affairs, in the quickest possible time provision was made for municipal and provincial government by the Filipinos themselves, and meanwhile some of the more eminent Filipinos were placed upon the judiciary and others made a part of the Philippine Legislature. In other words, their own selected representatives were placed in control of the government of their towns and provinces, their own people were selected to enforce the police authority of the Islands, their own comrades were placed upon the court benches, and their best-known and most distinguished representatives were made members of the highest legislative tribunal, and latterly a Congressional delegation has been provided for at Washington—all this in fulfillment of the pledge given in the beginning by President McKinley and steadfastly and faithfully adhered to by President Roosevelt, his Secretary of War, and their duly authorized agents in control.

But there is one thing more even than all this which the Government of the United States could do and which it had promised in the beginning that it would do, namely, the establishment of the General Assembly of representative Filipinos to be selected by the Filipino people themselves whenever, in the language of the enacting law, "the existing insurrections in the Philippine Islands shall have ceased and a condition of general and complete peace shall have been established therein and the fact shall have been certified to the President by the Philippine Commission."

To execute this crowning act of good faith it was provided that when the above-named condition of "general and complete peace" was attained the President upon being satisfied thereof should order a census of the Philippine Islands to be taken by the Philippine Commission, and that two years after the completion and publication of the census, in case such condition of general and complete peace with recognition of the authority of the United States had meanwhile continued in the said Islands not inhabited by Moros and other non-Christian tribes, the President upon being satisfied thereof was required to direct the Philippine Commission to call a general election for the choice of delegates to the popular Assembly of the people of said territory in the Philippine Islands, which should be known as the Philippine Assembly. It was further provided that after said Assembly was convened and organized all the legislative powers previously conferred on the Philippine Commission in all that part of said Islands not inhabited by Moros or other non-Christian tribes should be vested in a Legislature consisting of two Houses, the Philippine Commission and the Philippine Assembly. Said Assembly it was enacted should consist of not less than fifty nor more than one hundred members, to be apportioned by the said Philippine Commission among the provinces as nearly as practicable according to the population, insuring to each province at least one member.

On September 11, 1902, the Philippine Commission certified to the President that the insurrection in the Philippine Islands had ceased and a condition of general and complete peace had



been established there; and a fortnight thereafter the President ordered that the census of the Philippine Islands be taken. Accordingly the census was taken at a cost of nearly seven millions of dollars, and it was the first census which had ever been taken of the Philippine Islands since the American occupation.

The rest of this story of fulfillment of good faith on the part of the United States relates to facts too recent to require much review in this connection. As is well known, the necessary action was taken by the President of the Philippine government to insure an election of members of the Philippine Assembly. And on the day set for the meeting of the Assembly, Secretary Taft, to whom more than to any other man connected with Philippine affairs was due the steady growth and development of the Filipino people, traveled from Washington to Manila to be present at and himself open the first session of the first General Assembly of the Philippine government.

The establishment of this legislative Assembly for the Filipino people was practically the climax of all that had been done looking to their enfranchisement, by allowing them to exercise for the first time in their lives the right to vote for their municipal, provincial, and legislative representatives in governmental affairs. This legislative Assembly was indeed the very epitome of generous concessions to the Filipino people; and as will be seen by an examination of Secretary Taft's special report above referred to, the criticism called forth by this generous treatment of the Filipino people had spurred him on to a defense of the system and the denial that the United States had gone too fast in the fulfillment of its promises to grant self-government to the Filipino people. The Secretary's observations on this point are as follows:

"In recommending to Congress the provision for a national assembly contained in the organic act of the Philippine government, Secretary Root and the Commission were moved by the hope and belief that the promise of the act, conditioned, as its fulfillment was, on the existence of peace in the Islands, would stimulate activity on the part of all Filipinos having political ambition to bring about tranquility. In this respect, as already pointed out, the result has abundantly vindicated their judgment. They were further moved by the conviction that this step toward greater popular self-government would strengthen the hands of the Government by securing from the people readier acquiescence in and greater obedience to measures which their representatives had joined in passing than when they were the decrees of an alien government. They further believed that by means of the assembly much more exact and practical knowledge of the country would be brought to the law-making power than in any other way. Finally, they thought that the inauguration of such an assembly would be a most important step in the main plan or policy of educating Filipinos in the science and practice of popular representative government. They were aware of the possible danger that this was a step too far in advance. They did not deny that on the part of a number elected there would be a strong inclination to obstruct the smooth working of existing government on lines of political and material progress. They anticipated the probability that in the first assembly elected the majority would be in favor of immediate independence; but in spite of all this they were clear in their forecast that the responsibilities of power would have both a sobering and educational effect that would lead ultimately to conservatism of action and to strengthening the existing government."

In the beginning no man was kept busier than Mr. Taft in discussing and explaining the various necessary actions taken by the United States for the gradual improvement of the Filipino people; and now when the policy which he advocated and, under the instructions of the President, executed, has developed into a magnificent success, fulfilling all the pledges that had been in the beginning made concerning it, new criticisms arise—new complaints that the government has gone too far—that the United States had done too much for the people of the Islands; and again Mr. Taft, from his intimate knowledge of and practical participation in Philippine affairs, is required to make explanations to show that the government has really not gone too fast or already yielded too much in the fulfillment of its promises.

#### **Improved Conditions in the Philippines.**

Much more might be said on this subject, but in view of the well-known facts regarding the improved moral, business, and sanitary conditions now prevailing in the Philippine Islands another brief extract might here be quoted from the above referred to recent report of Secretary Taft to the President



on the present conditions in the Philippine Islands, wherein he said:

"Peace prevails throughout the Islands today in a greater degree than ever in the history of the Islands either under Spanish or American rule, and agriculture is nowhere now impeded by the fear on the part of the farmer of the incursion of predatory bands. Under the policy already stated, inaugurated by the instructions of President McKinley to Secretary Root, in reference to the establishment of a temporary government in the Philippines, a community consisting of 7,000,000 people, inhabiting 300 different islands, many of whom were in open rebellion against the Government of the United States for four years, with all the disturbances following from robber and predatory bands which broke out from time to time, due to local causes, has been brought to a state of profound peace and tranquility in which the people as a whole are loyally supporting the government in the maintenance of order. This is the first and possibly the most important accomplishment of the United States in the Philippines."

In conclusion on this point it might be added that six thousand Filipino teachers who are now teaching English have received their English education from our normal schools or our American teachers. Their number is growing, and as declared by Secretary Taft they represent and are the most valuable educational asset we have acquired in working out our school system in the Islands. The Filipino insular teachers are drawn from the graduates of normal schools and also from the students sent by the Government and at the expense of the Government to the United States to be educated here. Forty-six of these students have recently returned from the United States and have been appointed as insular teachers at salaries ranging from eight hundred and forty to nine hundred and sixty pesos per annum, which of course is much less than the salaries paid to American teachers, who get about twelve hundred dollars per annum.

The total school enrollment for the past year, inclusive of the Moro province, was 479,978. This, however, was in the month of March, when the enrollment reached its highest point; but the average enrollment divided by months was 346,245, of which sixty-two per cent were boys and thirty-eight per cent girls. The average daily attendance was 269,000, or a percentage of about eighty-five—the highest percentage of attendance, however, being ninety-four in the City of Manila.

In this connection it might be well to quote in full a few paragraphs from the last report of Secretary Taft on the Philippines, in which he discusses "education in schools" as follows:

#### School Education.

"Reference has already been made to the fact of the very great ignorance and illiteracy that prevail among the Filipino people. It is not too much to say that knowledge of Spanish is a fairly good indication whether an individual can be said to be educated. Statistics show that 7 per cent of the people of the Islands speak Spanish; all the others speak in the varying dialects, which among the civilized people number some 16. The Philippine people should be educated sufficiently to have a common medium of communication, and every man, woman, and child should have the benefit of the primary education in that common medium. Reading, writing, and arithmetic are necessary to enable the rural laborer and the small hemp, cocoanut, or tobacco farmer to make contracts for the sale of his products and to know what price he should receive for that which he has to sell. With this knowledge, too, he will soon be able to know his own rights and to resist the absolute control which is now frequently exercised over him by the local cacique."

"The necessity for a common school system was emphasized in the instructions of President McKinley to Secretary Root, and those responsible for the government of the Islands have been earnest and active in seeking to establish one. The language selected for the schools is English. It is selected because it is the language of business in the Orient, because it is the language of free institutions, and because it is the language which the Filipino children who do not know Spanish are able more easily to learn than they are to learn Spanish, and it is the language of the present sovereign of the Islands. The education in English began with the soldiers of the American Army, one of whom was detailed from each company to teach schools in the villages which had become peaceful. When the Commission assumed authority it sent to the United States for 1,000 American teachers, and after the arrival of these pioneers in the Islands, a system of primary schools was inaugurated together with normal schools."

"Public educational work in the Islands is performed under the Bureau of Education, with the central office located in Manila, having 37 divisions, each in charge of a division superintendent, embracing in all 379 school districts each in charge of a supervising teacher. The total number of schools in operation during the past year was: Primary schools, 3,435; intermediate schools, 162; arts and trades schools, 32; agricultural schools, 5; domestic science schools, 17, and provincial high schools, 36, making a total of 3,687 and an increase from the previous year as follows: 327

primary schools, 70 intermediate schools, 15 arts and trades schools, 3 agricultural schools, and 9 domestic science schools. There are engaged in the teaching of these schools at present 717 permanent American teachers and 109 temporary appointees, and all of these are paid out of the central treasury. In addition to these there are what are known as Filipino insular teachers, numbering 455, who are paid out of the central treasury. In addition to these there are 5,656 municipal Filipino teachers, all of whom speak and teach English and who are paid out of the treasuries of the municipalities."

#### **Educational Fund Needed.**

Secretary Taft, in another part of his excellent report, states that the Philippine Government is without funds enough to educate in the primary and industrial schools all the present generation of school age, and unless some other source of funds than the governmental revenue is found it will take longer than a generation to complete the primary and industrial education of the common people of these Islands. "Until that is done," he wisely concludes, "we ought not to lift our guiding hand from the helm of the ship of state of the Philippine Islands."

He lays particular stress upon the importance of this education, however, as the only means of rescuing the Filipino people from their present unfitness for popular self-government. He believes in their capacity for future development by popular education, general and political, which he asserts will enable them to become a self-governing people. Commenting upon the generally admitted fact that eighty per cent of the Filipino people are to-day densely ignorant, he traces the cause of that ignorance to the peculiar conditions under which they have lived for generations in the past, and says:

"They are in a state of Christian tutelage. They are childlike and simple, with no language but a local Malay dialect spoken in a few provinces; they are separate from the world's progress. The whole tendency under the Spaniards was to keep them ignorant and innocent. The Spanish public school system was chiefly on paper. They were for a long time subject completely to the control of the Spanish friar who was parish priest and who generally did not encourage the learning of Spanish or great acquaintance with the world at large. The world owes to the Spanish friar the Christianization of the Filipino race. It is the only Malay or oriental race that is Christian. The friars beat back the wave of Mohammedanism and spread their religion through all the Islands. They taught the people the arts of agriculture but they believed it best to keep them in a state of innocent ignorance."

In order to lose no opportunity to extend the system of general education of the people, every move seems to have been calculated for the benefit of the people. For example, when the Civil Service was established necessarily, in the beginning, subordinate officers and clerks had to be chosen almost exclusively from Americans and competent foreigners, who gradually, however, gave way to the appointment of natives. On this point Secretary Taft in his recent report to the President says:

"The organization and maintenance of the central government were directed not only with a view to its efficiency but also to its educational effect upon the Philippine people. This is shown in the appointment of three Filipinos to constitute three-eighths of the insular legislature as well as by the opportunity offered to Filipinos to enter the civil service under a civil service law embodying the merit system. In the beginning it was difficult to work Filipinos into the bureaus of the central government, because few of them knew English and fewer understood the American business and official methods, which, of course, obtained in the new government. As the years went on, however, under great pressure from the Commission, the proportion of Filipinos in the service was increased from year to year. Many natives had learned English and had shown an increasing aptitude for the work of the civil service. Still in many of the bureaus the progress of Filipinos to the most responsible places is necessarily slow and the proportion of them to be found in the positions of high salaries is not as large as it ought to be in the near future. The winnowing-out process, however, is steadily reducing the American employees in the civil service. It has become a body of highly deserving, faithful public servants, whom, it is hoped, the Philippine government will make permanent provision for."

#### **Some Practical Improvements Made in the Philippines.**

One thing, however, is sure. The honest and earnest purpose of the United States in the beginning of our dominion of the Philippine Islands as announced and set forth in every word uttered or act done by the lamented McKinley and his successor, President Roosevelt, was the establishment of and faithful adherence to a policy of gradual enlightenment and edu-



cation of the Filipinos, with a view to their gradual but steady development into a self-governing people. Under that policy, which has never wavered, the United States made quick arrangements for the participation of the Filipinos themselves in civil government, giving them the right to participate in the enactment of laws as well as their enforcement through the courts, and by the aid of local constabulary and police force composed of duly selected Filipinos. More than this, good wagon roads were constructed between provinces and sections of the Islands which previously had been almost untraversable, and railroads, which had hardly been known there before, were, together with a system of telegraph lines, post-offices, coastwise steamboat transportation facilities, and various agricultural improvements, provided for and inaugurated in all directions. In addition to these industrial developments, watchful attention was directed to the methods and conditions of business in the Islands, and at the proper time provision was made for the establishment of banks for the safe deposit of money—a business blessing which the Filipinos had never known of before.

The Filipino people were also given a non-fluctuating coin and paper currency and, as set forth in detail in a preceding paragraph, a well-defined system of popular education was inaugurated, due provision being made for the education and training of Filipino students to act as teachers in the Filipino schools.

Among the most practical advantages secured for the Islands is the increase in postal facilities, which enables the people to communicate quickly and promptly with the remote parts of the Islands. In 1900 there were but nineteen post-offices, whereas according to the reports for the last year there were five hundred and five post-offices, and the postal employees had increased from one hundred and thirteen to one thousand and ninety-one, while the receipts from the sale of stamps had jumped from 288,187.36 pesos to 607,233.47 pesos. To accomplish this gratifying result a system was devised in which mail subsidies were granted to commercial lines on condition that good service at reasonable rates of transportation should be maintained upon safe and commodious steamers. The Government vessels which had previously been purchased in order to promote intercourse between the Islands are now used on outlying routes only where commercial lines will not take up the traffic, but of course are used in connection with the commercial lines; and in this way continuous mail routes are being extended and the marine commerce communication between the Islands is made to increase and to prosper. By the consent of the Secretary of War, and on the recommendation of the Commanding General of the Philippines and the agreement of the civil government there, all the telegraph lines in the Islands have now been transferred to the Post-office Department of the Civil Government of the Philippines. These telegraph lines reach into the remotest provinces as well as to all of the principal islands of the large Archipelago.

#### **A Notable Business Benefit.**

One of the most notable benefits conferred upon the Filipino people is the postal savings bank, which has proved to be a most advantageous institution. At first this bank was patronized by more Americans than Filipinos, but the Filipinos are now showing their appreciation of it by their recently reported deposits, amounting to over a million pesos. This bank, which was established by the Philippine Commission in May, 1906, allows any person over six years of age residing in the Philippine Islands and not under legal disability to open an account. Before its establishment there was absolutely no secure way for the keeping of money by the people, many of whom had been in the habit of purchasing postal notes to be retained in their possession indefinitely. Thus the Filipinos had little opportunity to make investments of their savings, or to make them secure in any manner, and least of all in a manner to yield them any income. The postal saving



banks allow the people to deposit small sums of money on which they receive interest at the rate of two and one-half per cent per annum, to be increased later if the bank shows that it can be successfully done without loss to the Government.

Another very essential institution needed by the people, and which, if the plans now making are executed, will soon be provided for, is the proposed Agricultural Bank, authorized by the Act of Congress passed last year. As stated recently by Secretary Taft in his special report on the Philippines to the President:

"One of the crying needs of the Philippines is capital, and this whether it be for the development of railroads, wagon roads, manufactures, or in the promotion of agriculture. The usurious interest which has to be paid by the farmers is so high as to leave very little for his profit and maintenance and ever since we entered the islands the cry for an agricultural bank which would lend money for a reasonable interest, say, 10 per cent, has been urged upon the Commission. Last year Congress authorized the government to guarantee the interest of 4 per cent on a certain amount of capital invested in such a bank, but up to this time no one has embraced the opportunity thus offered to undertake the conduct and operation of a bank, although negotiations are pending looking to such a result. It is now proposed that the government shall undertake this instead of a private individual."

### Railroads and Dirt Roads.

Aside from all the other beneficial improvements in the Philippine Islands, however, one of the most valued, from a commercial as well as a moral point of view, is the development of the railroad system there. When the United States captured the Philippine Islands in May, 1898, there were in operation therein only one hundred and twenty miles of railroad, extending from Manila northward to Dagupan. There was later constructed on the authority of the Philippine Commission enough additional trackage to bring the total mileage up to two hundred miles, all being in the Island of Luzon. Under the enabling acts of Congress of July 1, 1902, and February 6, 1905, further concessionary grants were made by the Philippine Commission for four hundred and twenty-eight additional miles of railroad in Luzon, and two hundred and ninety-five miles in the Islands of Panay, Cebu, and Negros. Engineers representing the concessionaries immediately left the United States to make the preliminary surveys and prepare specifications and maps to be submitted to the Governor-General for approval of final routes. These final routes are to be substantially in accordance with those selected by the Government, which have been highly commended by the engineers both of the Government and the concessionaries, one of them stating that the same mileage could not have been better selected to produce revenue or to serve the Government's ends of reaching the large interior towns and rich uncultivated lands and of furnishing an outlet for the present and prospective produce of the Islands. All of the lines will run through rich country, capable of producing large quantities of hemp, rice, sugar, tobacco, cabinet woods, and minerals.

The extension of railroads in the Philippines will correct the very deplorable conditions which have heretofore prevailed on these Islands. Until 1892 there was no commercial railroad whatever on the Islands, but at that time under a grant made in 1887, the Manila and Dagupan Railroad began operations over a line one hundred and twenty miles long. In 1898 when we took possession of the Philippines, this was the only railroad in the Archipelago, inhabited by nearly eight millions of people, with an area of 115,000 square miles. Some idea of the backwardness of this people might perhaps be better given in a comparative way. For example, in Algeria, with a population not exceeding five million and an area of 184,000 square miles, there are about three thousand miles of railway in operation; in New Zealand, with a population of eight million and a half, and an area of 104,000 square miles, there are two thousand four hundred miles of railway in operation; while in Queensland, with a population of five hundred thousand and an area of 664,000 square miles, there are two thousand eight hundred miles in operation, and in Tasmania with one hundred

and seventy-two thousand inhabitants and 26,000 square miles there are one hundred and twenty miles in operation.

It will thus be understood what a lack of progress there was in the Philippine Islands under the Spanish regime, and it was with the view of rescuing the people from the deplorable conditions into which this sort of government had placed them that the United States undertook its munificent policy of developing the Islands and uplifting the people, keeping constantly a watchful eye for opportunity to help them along toward good government as well as agricultural and industrial improvement. In some respects the United States Government, as stated elsewhere in these comments, seems to have been able to do more for the Filipino people than for the people of the United States, because while County and State and National conventions have been for a long time past proclaiming the importance of improving the roads and public highways and many men have been elected to office on that platform, definite laws are yet to be passed on that subject. In the Philippine Islands, however, during 1904 two hundred and fifty-two miles of new roads were constructed and sixteen hundred and sixty-two miles of bad old roads were repaired, while during 1905 there were constructed one hundred and fifteen miles of new roads and nine hundred and ninety-two miles of roads were repaired—these improvements aggregating a total outlay of between three and four millions of dollars. The roads will be of incalculable benefit to the natives in bringing their produce to market and encouraging further industrial development of the country through which they pass. Numerous other roads are also being built in the Islands for the purpose of benefit to the agricultural districts principally, though some of them, it must be admitted, were primarily to assist the military in their operations of safeguarding property and preserving the peace. All of the roads, however, will naturally be of permanent use in the gradual industrial and commercial growth of the Archipelago, as a whole.

In July, 1906, the Philippine Commission passed an act known as the Road Law, which provides that whenever accepted by the Provincial Board and the majority of the Assembly of the Presidents and Counsellors of the municipalities of any province, five days' work upon the highways by every able-bodied man of the province should be rendered every year, or payment of an equivalent of five days' wages in cash. It is believed that these Assemblies will see their way to accept this law, and should they do so there may eventually be established throughout the Archipelago what is known as the Caminero system, which consists in dividing the roads into sections of such length as can be cared for by the continuous work of one man; those wishing to work out their tax may deposit road material at given depositories along the road or give their service to new construction or reconstruction where the nature of the work is such that gangs become necessary. The money received from those not wishing to work is used to support the caminero or road worker. By this system definite responsibility for deterioration of any part of the road can readily be placed, and it has the further advantage of reducing the expenses of repairs, which in the tropics, where the rainfall is so abundant, amounts to considerable within the year.

#### **The Friar Lands.**

The "Friar lands" problem, one of the most fruitful sources of unrest in the whole Philippine situation, was finally disposed of by purchasing some four hundred and ten thousand acres of land at about seven millions of dollars. According to Act No. 1,120 of the Philippine Commission, the lands thus purchased have been placed in the control of the Bureau of Public Lands, with directions to proceed as rapidly as possible to their sub-division and sale to the occupants thereof upon ten years' time and at first cost to the Government. Though the execution of this duty will involve the expenditure of much time and labor, as well as some practical difficulties, still there is a general disposition on the part of the former tenants of the

religious orders, who are the present occupants of the land, to accept the liberal terms offered by the Government. The Governor-General of the Philippines in his report on this subject says: "Whether any ultimate loss will be incurred in these large transactions can only be a matter of conjecture; but however it may be, it must be a subject of real congratulation that what threatened to become a cancerous sore on the body politic has been extirpated."

#### Present Conditions as to Peace and Order.

All these improved conditions in the Philippines have naturally tended to the enlightenment and elevation of the people, whose heightening self-pride and increasing interest in the governmental affairs have undoubtedly exercised upon them a beneficent influence. At any rate, peace now prevails in the Philippine Islands to a greater extent than ever before in their history. True, there have been disturbances in three of the Filipino provinces as well as in the Moro province, but none of these had for its object the expulsion of the sovereignty of the United States, which now seems to be recognized by the Filipino people as a fixed government over the Archipelago. In Cavite, which is regarded as the "Mother of Ladrones," as the people themselves call it, has ever been the hotbed of Ladroneism or gang robbers in the Philippine Islands; and therefore disturbances in that neighborhood assume the nature of brigandage rather than of insurrection against the civil government. The trouble in Samar grew out of abuses in the way of extortion practiced upon their ignorant countrymen by prominent natives who as agents for large export houses in Manila force them to sell their hemp at a nominal valuation and then themselves turn it in to the business houses in Manila at the market prices, putting the difference in their own pockets. Some unscrupulous outlaws in the country took advantage of the excited condition of the people caused by these commercial outrages, organized them into bands, and used them to revenge themselves upon their oppressors and for purposes of reprisal, which have been set forth in detailed reports from the Philippine Commission.

The Mount Dajo affair was a culminating incident of six months of peaceful effort to induce the band of Malay pirates to desist from raids upon a peaceful community. These efforts were interpreted as cowardice and the outlaws finally sent a challenge to the Government forces to come out and fight them. In the encounter that ensued the troops were assisted by the respectable Moro element of the Islands where the disturbances had occurred.

The disturbances in the Moro provinces and on the Island of Luzon were promptly overcome, while that on the Island of Samar continued to manifest itself from time to time. Samar, by the way, was an unknown territory which the Spaniards during their three hundred years of occupation never attempted to explore—the interior of the Island of Samar being a mere tropical jungle and mountain fastness, inhabited by semi-barbarous tribes, the haven of the criminal refugees from surrounding islands, and all in all a nest of iniquity too bad even for Spain to handle. The work of the Americans there was that of pioneers, and with the usual result; but it is worthy of note that the law-abiding inhabitants of the Island have organized volunteers to assist the constabulary in putting an end to further disturbances there, and the cooperation between the civil and the military authorities is complete, so that little trouble may be expected there hereafter.

While of course there must be expected from time to time throughout the Archipelago some minor disturbances as occur even in the most highly civilized communities, still it is safe to assume that there will not be any organized hostile operations on any considerable scale hereafter. The best assurance of this assumption is the noticeable manner in which the people throughout the entire Archipelago have settled down to peaceful occupations, tending their fields and plying their trades with a whole-souled earnestness never before observed. There



are of course also likely to arise times of depression in business affairs and instances of great discouragement from the failure of crops in certain sections of the Islands—conditions and experiences which are not unusual in other parts of the world where the best of governments prevail—but the reports received from the provincial governors, all of whom are natives, indicate the generally increased prosperity and contentment of the people, with constantly increasing faith and kindly goodwill towards the American government. Not long ago, March 3, 1903, it will be remembered Congress appropriated three million dollars in United States currency for the alleviation of distress throughout the Philippine Archipelago caused from war, loss of cattle from plague, etc. This money was placed at the disposal of the Philippine Commission and by it expended through appropriation acts of the Commission for the relief of the communities of the Islands that were suffering most acutely. Many of the provinces of the Islands where the benefits of this relief fund were felt have, according to the eloquent reports of their governors, shown the good work it has done. One provincial governor (Batangas, in 1904), speaking of the feeling of the people of his province for this generous aid, said: "With an indomitable and invincible spirit, and with head erect, proud of their self-reliance during this struggle against the cruelties of nature, they only bend the head to kiss and bless the generous hand of America and render to it unconditional adhesion and infinite acknowledgment for the splendid gifts that it has showered upon the people in days of sorrow, misery and hunger."

When the United States assumed control of the Filipinos, they were in a chaotic condition of insurrection and intestinal turmoil. They were, as a class, steeped in ignorance, and never had been accustomed to self-government. Now we find them happier, more comfortable, more prosperous, certainly more peaceful and in every way more interested in their lives than ever before—all living under governments conducted in the municipalities and provinces by their own chosen governing officials. We see a judicial system in which a large number of their own people hold place as judges, and we find a legislative body charged with the duty of enacting laws for their government—a legislative body composed in the lower house entirely of their own people, while in the upper house of that legislative body the number of native members of the Commission, which corresponds to the Senate in this country, is within one of equaling those appointed by the United States. Few governments on earth to-day are based upon more liberal principles, which contemplate not only popular suffrage, but every other feature of a Republican form of government, than which none better has ever yet been suggested either by friends or foes.

It would seem only fit and proper to conclude this paper on the Philippine Islands by quoting at length from the President's recent message to the Senate and House of Representatives, which constitutes an interesting resume of the question and reads as follows:

"To the Senate and House of Representatives:

"I transmit herewith the report of Secretary Taft upon his recent trip to the Philippines. I heartily concur in the recommendations he makes, and I call especial attention to the admirable work of Governor Smith and his associates. It is a subject for just national gratification that such a report as this can be made. No great civilized power has ever managed with such wisdom and disinterestedness the affairs of a people committed by the accident of war to its hands. If we had followed the advice of the misguided persons who wished us to turn the islands loose and let them suffer whatever fate might befall them, they would have already passed through a period of complete and bloody chaos, and would now undoubtedly be the possession of some other power which there is every reason to believe would not have done as we have done; that is, would not have striven to teach them how to govern themselves or to have developed them, as we have developed them, primarily in their own interests. Save only our attitude toward Cuba, I question whether there is a brighter page in the annals of international dealing between the strong and the weak than the page which tells of our doings in the Philippines. I call especial attention to the admirably clear showing made by Secretary Taft of the fact that it would have been equally ruinous if we had yielded to the desires of those who wished us to go faster in the direction of giving the Filipinos self-government, and if we had followed

the policy advocated by others, who desired us simply to rule the islands without any thought at all of fitting them for self-government. The islanders have made real advances in a hopeful direction, and they have opened well with the new Philippine Assembly; they have yet a long way to travel before they will be fit for complete self-government, and for deciding, as it will then be their duty to do, whether this self-government shall be accompanied by complete independence. It will probably be a generation, it may even be longer, before this point is reached; but it is most gratifying that such substantial progress toward this as a goal has already been accomplished. We desire that it be reached at as early a date as possible for the sake of the Filipinos and for our own sake. But improperly to endeavor to hurry the time will probably mean that the goal will not be attained at all.

“(Signed)

THEODORE ROOSEVELT.

“The White House,

“January 27, 1908.”

### THE HAWAIIAN ISLANDS.

The Hawaiian Islands are no longer a political issue. While a Democratic President and Secretary of State planned for their annexation more than a half century ago, while they many years later applied for admission and raised the American flag, and while that American flag was hauled down by the orders of another Democratic President, carried out by a former Member of Congress, they have since that time come permanently under the American flag, becoming a territory of the United States with a delegate in Congress, and the relation of those islands to the United States is no longer a political issue. Yet the effect of annexation upon the prosperity of the people and the prosperity of our own trade with them is interesting and worthy of record.

The growth of prosperity in the Hawaiian Islands began with that closeness of relationship brought about by the reciprocity treaty with the United States, which resulted in annexation, and perfect freedom of interchange between those islands, a tropical area with tropical products to sell, and the United States, a temperate zone area desiring tropical products, and having temperate zone products to exchange therefor. The production of sugar, which was formerly almost the sole product, grew from 25 million pounds at the date of the reciprocity treaty to 500 million pounds in the year before annexation; but on the assurance which annexation furnished that the markets of the United States would remain permanently open to this product, the sugar production of the Hawaiian Islands has in the short period since annexation grown to over 800 million pounds, having thus increased over one-half since 1899. The value of the sugar product of the Hawaiian Islands during the decade prior to annexation ranged from 8 to 16 million dollars per annum. In 1899 it crossed for the first time the 20 million dollar line. Since annexation the value has ranged from 25 to 35 million dollars per annum. Practically all of this has been sent to the United States, and in exchange the islands have taken from the United States everything which they import, except certain products of China and Japan especially required by their Chinese and Japanese population, and that class of fertilizers for the plantations which can only be obtained from the nitrate beds of Chile. That the annexation of the Islands and the permanency of trade relations therewith have resulted advantageously to the commerce of the United States is quite apparent from the fact that the value of our shipments to the Hawaiian Islands, which never touched the 10 million dollar line prior to 1900, has been continuously above that line since annexation, and in 1907 was practically 15 million dollars, and in the fiscal year 1908 seems likely to exceed that sum. The total value of merchandise sent from the United States to the Hawaiian Islands in the eight years since annexation aggregates nearly 100 million dollars, while in the eight years immediately preceding annexation the value of our shipments to those islands was but 58 millions, having thus practically doubled as compared with the corresponding term of years immediately prior to annexation.

Meantime conditions in the islands have been greatly improved. Large investments of capital from the United States



were made immediately following the annexation, which thus assured permanency of government, and permanency of relations with the United States; large additions were made to the population, and new efforts were made towards a diversification of industries. The Department of Agriculture established an experiment station in the Islands, and careful studies have been made of the producing power of the various sections with reference to various tropical and subtropical products, with the purpose of diversifying as much as possible the industries and products of the islands, and thus increasing the earning power of the people, and especially of developing opportunities by which persons of small capital or those desiring to build up prosperous lines of business of their own and own their own homes may be able to do so much more readily than in the production of sugar, which requires large estates and large investments.

The Governor of the Islands, Hon. H. W. Frear, in his inaugural address in 1907, referring to conditions since annexation, said:

"Seven brief years, and yet what grand results if we but pause to view them; years, it is true largely of adjustment to new conditions, but equally years of advancement. The entire body of Hawaiian statute laws has been put into compact and harmonious form and added to by numerous laws, remedial and constructive. \* \* Local government has been established without the baneful results predicted. \* \* Recovery has been had from a calamitous pestilence attended by extensive conflagrations in the capital; scientific investigation has been begun for the ultimate eradication of the most dreaded disease; the public health has never been better safeguarded. \* \* The schools have grown in quality of work as well as in number of pupils. Progress has been made in the application of advanced criminological principles, especially as applied to juvenile delinquents. Evidences of moral and religious quickening are apparent on every hand. Much has been accomplished in the construction of public works and preservation of forests, settlement of public lands, introduction of labor, of city-making material, the establishment of diversified industries, the execution of irrigation projects, and utilization of water power. \* \* Even before annexation the contract labor system had largely disappeared, a system possessing in some degree the principle of profit-sharing has come into general practice that increases returns to both planter and laborer. The planters have begun extensively to provide the laborers with homes of sufficient size for residence and gardening purposes; a beginning has been made toward co-operation in the establishment of homesteads of sufficient size to support families independently."

#### PORTO RICO.

On the 18th of October of this year, Porto Rico completes the tenth anniversary of its existence within the jurisdiction of the United States. Of this period a year and a half was under military government and eight years and a half under a civil government established by the Act of Congress of April 12, 1900.

The changes for the better in this period of ten years have been remarkable, and the improvement in education, sanitation, commerce, and the administration of justice has demonstrated the wisdom and far-seeing ability of the Republican party. These improvements have not been made without overcoming serious obstacles. In less than a year after the Americans assumed control, the progress of the island received the worst setback known in its history. On August 8, 1899, Porto Rico was visited by the most severe cyclone that it has ever experienced, as a result of which thousands of lives were lost and millions of dollars worth of property destroyed. Not only was the coffee crop for that year totally lost, but a very large percentage of the coffee trees themselves were completely ruined. In many places the soil on the sides of the mountains was washed away, so that where fertile plantations once existed, but bare rocks remained. The serious nature of this disaster can be understood only when it is realized that the value of coffee alone exported during the last years of the Spanish Government exceeded the combined value of all the other exports. The success of the United States, therefore, has been all the more remarkable when one considers the inauspicious beginning of the administration.

Free trade between the United States and Porto Rico was established on July 25, 1901. All duties collected on goods between the United States and Porto Rico prior to this date were subsequently appropriated by Congress for the construction of schools, roads, and other public improvements on the island.



The value of the exports and imports under the Spanish government reached its high-water mark in 1896, when the total trade of the island amounted approximately to the equivalent of \$22,000,000 United States currency. Under American occupation there has been a steady increase in the trade of Porto Rico, which, for the fiscal year ending June 30, 1907, amounted to \$56,263,472. The value of the exports and imports for that year *each* amounted to more than the total trade of the island in any one year under the Spanish government. In the same year more than 204,000 tons of sugar, with a total value of \$14,770,000, were exported from Porto Rico, as compared with the record under Spain, in 1884, of 109,000 tons. The amount of sugar now produced is more than 320 per cent. greater than it was in 1897, the last year of Spanish rule. The value of tobacco exported in the twelve months ending June 30, 1907, amounted to approximately \$5,500,000. The year before the United States assumed control (one of the most prosperous years under the Spanish Government) the value of tobacco exported was approximately \$700,000, showing an increase of 700 per cent. in the ten years of American administration. During the past year more cigars were imported into the United States from Porto Rico than from Cuba. The following brief table shows the increase in the trade of the island since the issuance of the last campaign book in 1904:

Fiscal Year.	Imports.	Exports.	Total exports and imports.
1904-----	\$13,169,029	\$16,265,903	\$29,434,932
1905-----	16,536,259	18,709,555	35,245,824
1906-----	21,827,615	23,257,530	45,085,195
1907-----	29,267,172	26,996,300	56,263,472

It will be noted that the total trade in four years has nearly doubled.

In education also there has been a very great advance. More than 70,000 pupils are enrolled in the public schools, and the expenses for educational purposes now aggregate more than \$1,000,000 annually. 1,200 school teachers are employed, and great effort is being made to extend opportunities for education in the outlying rural districts. When the Americans took charge of the island, they found but one school building owned by the government. There are now over 80 buildings completed or under construction, exclusively for school purposes, including a normal school in the city of San Juan and high schools in the important cities. In addition to this number, over six hundred buildings are rented for school purposes. Education is given in English and Spanish and the children are rapidly acquiring a knowledge of the former language.

Much attention has been paid to the question of sanitation, and in the past ten years thousands of people have been cured of uncinariasis, more commonly known as the hookworm disease. Prior to American occupation this disease was generally attributed to malnutrition. In the early days of American occupation, Army surgeons attendant upon the natives suffering from the cyclone, discovered that this sickness was caused by a parasitic worm, and was curable if taken in time. A Commission was created in the winter of 1904, for the study and treatment of this disease. Free stations for the care of patients were established in central locations throughout the island, and a campaign of education as to the prevention and cure of the disease was at once commenced. The Commission estimated that 90 per cent of the rural population of Porto Rico was infected with this form of anemia, which gradually sapped the strength of the patient, frequently resulting in death. In the past four years over 150,000 natives, or one-seventh of the population, have been treated at the expense of the government. The results have been most satisfactory, and many families, disabled by the disease, have been returned to the number of wage-earners. Hopes are entertained that uncinariasis will be eradicated from the island by the efforts of the administration. This result would work a great change in the social and economical status of the inhabitants of the interior.

In order to afford opportunities to the farmers of the interior to bring their produce to the seacoast for shipment to the markets of the United States and elsewhere, the government has bent its energies to the construction of an extensive system of roads. In the past ten years twice as many miles of macadam roads have been constructed by the American government as were built in the 400 years of Spanish control. This policy has opened up lands in the interior which ten years ago were practically valueless. It is not too much to say that in certain sections of the island the value of land has increased 1,000 per cent. In order to carry on this work further, the insular government, in the winter of 1907, disposed of government bonds to the amount of \$1,000,000, the proceeds to be devoted exclusively to the building of roads and bridges. This is the first and only debt of the insular government since the American occupation. The splendid financial condition and the economic prosperity of the island was so well recognized, that at a time of considerable dullness in the bond market, when many excellent municipal bonds were not bringing par, these 4 per cent twenty-year serial bonds sold at an average of over 107, the longer term series bringing over 113.

In addition to the roads, communication has been greatly increased by railroad construction, the mileage of which is at present approximately double what it was ten years ago.

The insular government operates the telegraph lines, the number of offices of which have increased since 1904 from 39 to 128. Practically all of the operators are Porto Ricans, who have been carefully trained in this work under the supervision of the government.

A number of charitable institutions have been established since American occupation, and the Porto Ricans, always a philanthropic people, have heartily supported the efforts of the government on these lines. In the past few years a blind asylum has been opened for the care of the indigent blind, the government insane asylum has been enlarged and greatly improved and a reform school for boys has been commenced. This latter institution is exceedingly important, as it will remove youthful violators of the law from the corrupting influence of hardened criminals.

An important step taken by the Congress of the United States some years ago was the establishment of the Porto Rico Provisional Regiment of Infantry. Organized in 1899, the enlisted and non-commissioned force of the regiment, consisting of two battalions, is composed exclusively of Porto Ricans. In addition, many of the junior officers are natives of the island, and the force is supported entirely by United States funds. Prior to the American occupation no such regiment was found in Porto Rico. The military forces which Spain maintained in the island were composed of Spaniards and paid from Porto Rican funds. In this way not only does the United States put into circulation annually a large sum but it provides an institution which gives most excellent moral, mental, and physical training to the natives of the island. On account of the physical improvement, due to regular exercise and good food, the habits of discipline and knowledge of the English language, acquired during the terms of enlistment, former members of the regiment find their services in great demand in various important positions throughout the island.

Public order is excellent, and is maintained by a force of some 800 police, composed entirely of Porto Ricans, with the exception of the chief and assistant chief.

Financially, the United States government has done much for Porto Rico. The customs revenues on foreign articles imported into the island are paid into the insular treasury. The internal revenue laws of the United States are not extended to Porto Rico, but the local legislature is vested with the power of enacting insular internal revenue laws, and the proceeds from these taxes go to swell the revenues of the island, and are not deposited in the United States treasury.

Harbor improvements in the port of San Juan, costing more than three-quarters of a million dollars, have been authorized and begun, and a public building, to cost \$300,000, is under process of construction in the capital.

American capital is being invested in various enterprises, the most important of which are railroads, the construction of sugar centrals, or factories for the extraction of sugar from the cane, electric lighting plants, trolley lines, and in various agricultural enterprises, the most recent and successful of which is the cultivation of citrus fruits and pineapples.

There has been adopted an excellent system of laws based on codes in force in various parts of the United States and made adaptable to conditions existing in the island. Among the most important are codes of criminal and civil procedure, and a civil and criminal code, which do away with many provisions of the former laws repugnant to the ideas of American jurisprudence.

The object of the Republican party in conducting affairs in Porto Rico has been twofold: first to increase the prosperity of the island and to enforce impartial justice, giving equal opportunity to all for advancement; and second, to educate the natives of the island to the standards and principles of American administration, so that increased self-government may be granted them as soon as they show their capacity for it. The administration not only has for its purpose the establishment of good government, but it endeavors to educate the people so that they can take more and more part in that government. Great steps in this direction have already been made. The 66 municipalities of the island have complete autonomy. The officials of the municipalities are elected by popular vote, and have full power to enact ordinances with regard to municipal affairs.

In the judicial branch, the Supreme Court is composed of 3 Porto Ricans and 2 Americans. The judges and district attorneys of the district or trial courts are composed of 13 Porto Ricans and 3 Americans, while all the municipal judges and justices of the peace are Porto Ricans. The legislative assembly is made up of two houses, the lower house or House of Delegates, consisting of 35 members, or 5 from each of the 7 districts of the island, are elected by popular vote, and are all Porto Ricans. The upper house, or Executive Council, consists of 11 members appointed by the President, "at least five of whom shall be native inhabitants of Porto Rico." It will therefore be seen that no act can be passed except with the approval of the lower House of Delegates, composed entirely of Porto Ricans and elected by popular vote.

The number of Americans in positions supported by insular revenues is comparatively small, being less than one-ninth of the total number of employees. Should the municipal employees be included in this number, the percentage of Americans would of course be very much smaller. It will be seen therefore that the Porto Ricans have a very important share in the government. Never before in the history of the island have they been allowed such a large and influential part in the administration as they have at the present time.

The wisdom of the policy of the Republican party during the past 10 years, as directed by President McKinley and President Roosevelt, has been fully demonstrated, and has more than justified the expectations of even its warmest friends. It is safe to say that in no other tropical country in the world has there ever been, in so short a time, such rapid and marked increase in sanitation, order, prosperity and education.

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#### THE PANAMA CANAL.

From Christopher Columbus to Theodore Roosevelt, a period of 400 years, man sought in vain for a means of transferring ocean vessels, carrying men and merchandise across that narrow strip of land which separates the waters of the Atlantic and Pacific oceans, known as the Isthmus of Panama. Scores of surveys were made; thousands of lives were lost; millions of dollars expended in futile attempts, and it remained for the Government of the United States, under a Republican President and Secretary of War, to take the preliminary steps and with the assent of Congress to actually enter upon the work of



constructing a ship canal. In doing this they have laid the plans so broadly and carefully that the country and the world may expect to see a completed modern canal, capable of floating the largest of vessels, in operation by 1915, and to see it constructed at a minimum cost and, what is more important, at a minimum loss of life. It was the first care of President Roosevelt and Secretary Taft in developing plans for this work to inaugurate a system by which the appalling loss of life which had characterized all former undertakings on the Isthmus should be averted, and in this they have been eminently successful. The state of health of the thousands of workmen and officials employed on the canal, and the success of the efforts to prevent tropical diseases have been the marvel of the medical and scientific world, while the speed at which the work is being pushed forward under modern methods is a matter of surprise to the foreign observers and of pride to every American.

The canal is no longer an issue. No American, whatever his party, raises his voice against the policy of the construction and ownership and control of this American Interoceanic Canal by the Government of the United States. The feeble protests which were uttered against the prompt recognition of the Republic of Panama by this Government were heard no more when a score of the leading countries of the world hastened to follow our action, and when the issue was presented to the Democratic party in the ratification by the Senate of the treaty with Panama in February, 1904, one-half of the Democrats voting cast their votes with the Republicans for ratification. Since that time the question has been no longer a party issue, and Democrats have vied with Republicans in their expressions of gratification that the dirt is actually flying. Men who have been for years prominent leaders in the Democratic party are devoting their time and energies on the Isthmus and at home to upholding the hands of the President and the Secretary of War, to whom the details of this great work have been intrusted.

#### **Record of the Work.**

It remains therefore to present at this time merely the record of the work performed in this great enterprise, which every American, irrespective of party, is proud to call that of his country.

Under the provisions of an Act of Congress which had been approved March 3, 1899, the President appointed a commission to examine and report upon the different practicable routes for an Isthmian canal, and this commission finally reported in January, 1902, in favor of the Panama route, although in November, 1901, it had reported in favor of the Nicaragua route. It changed its recommendation, it seemed, in favor of the Panama route after the French canal company had agreed to dispose of all its rights, property, and unfinished work on the Isthmus for forty millions of dollars.

Section 7 of the Spooner Act (June 28, 1902) provided for a commission of seven members, at least four of whom should be engineers, and at least one an officer of the army and one an officer of the navy. The first commission was appointed under this Act on March 8, 1904, with Admiral Walker, of the navy, as Chairman, and General George W. Davis, as the army member, and in addition the following five civilians: William Barclay Parsons, C. E.; William H. Burr, C. E.; Benjamin M. Harrod, C. E.; Carl Ewald Grunsky, C. E., and Mr. Frank J. Hecker.

On May 8, 1904, the Commission passed a resolution designating General Davis as the representative of the Commission on the Isthmus, and under the provisions of a letter addressed by the President to the Secretary of War on May 9, 1904, General Davis was designated Governor of the Isthmian Canal Zone, and was the only member of the Commission who was to be regularly stationed there. In this letter, which might be probably considered an executive order, the President put the work of the Commission under the supervision of the Secretary of War.

The Act of Congress approved April 23, 1901, provided that until the expiration of the Fifty-eighth Congress all the military, civil, and judicial powers, as well as the power to make all rules and regulations necessary for the government of the Canal Zone, and all the rights, powers, and authority granted to the United States by the terms of the treaty between the United States and the Republic of Panama, should be vested in such person or persons and exercised in such manner as the President should direct. In the letter of May 9, 1904, above mentioned, the President directed that these powers should be vested in and exercised by the Canal Commission until the close of the Fifty-eighth Congress. Under this authority the Commission enacted twenty-four laws, covering a wide range of subjects, but dealing principally with the organization of the government of the Zone and the judiciary, including a criminal code.

In May, 1904, Lieutenant Mark Brooke, Corps of Engineers, U. S. A., representing the United States on the Isthmus of Panama, was instructed by the Attorney General of the United States to take possession of all the canal properties there. This transfer of property having been made, instructions were at once given Lieutenant Brooke by the Isthmian Canal Commission to continue operations with the same force of employes and laborers as were engaged on the work under the French Canal Company at that time. At this time no excavation was being done except in the Culebra Division, and the total excavation from May to December, 1904, amounted in round figures to 243,000 cubic yards.

In the meantime, the Walker Commission was occupied with various problems concerning sanitation and government of the Canal Zone, and the acquiring of necessary plant for prosecuting the work. Colonel W. C. Gorgas, U. S. A., was appointed Chief Sanitary Officer, and immediately organized a most efficient system of sanitation.

The Commission was given control over the Panama Railroad, all the commissioners being made directors, it being recognized that the railroad must be an adjunct to the construction of the canal, and at the same time fulfilling the purpose for which it was constructed as a route of commerce.

Mr. John F. Wallace was engaged as Chief Engineer on June 1, 1904.

Nearly all matters of importance came before the Walker Commission as a body, there then being no separate and independent heads of departments as provided in the present organization, except that the Chief Engineer and the Governor of the Zone had a certain limited authority. The Walker Commission was succeeded by the Shonts Commission on April 1, 1905, consisting of four civilians, two of whom were engineers, two army engineers, and one civil engineer of the navy. Mr. Wallace was continued as Chief Engineer and made one of the Commissioners. The personnel of this Commission was as follows: T. P. Shonts, Chairman; Charles E. Magoon, Governor of the Canal Zone; John F. Wallace, Chief Engineer; Rear Admiral M. T. Endicott, U. S. Navy; Brig. Gen. Peter C. Hains, U. S. Army; Col. O. H. Ernst, U. S. Army, and Benjamin M. Harrod.

Under the provisions of an executive order of the President, dated April 1, 1905, three distinct departments were created, namely: (1) The Chairman, in charge of fiscal affairs, purchase and delivery of materials and supplies, accounts and auditing; the commercial operations in the United States of the Panama Railroad and Steamship Lines, and of the general concerns of the Commission, subject to the supervision and direction of the Secretary of War; (2) The Governor of the Canal Zone, in charge of administration of law and of all matters of sanitation, and required to reside on the Isthmus; (3) The Chief Engineer, in charge of actual work of construction on the Isthmus, having custody of supplies and plant there; charged with the practical operation of the railroad on the Isthmus, with special view to its utilization in canal construction; also required to reside on the Isthmus. The other engineer members of the Commission constituted an advisory engineering committee and their headquarters were in Washington. The order provided for the appointment by the Commission of an

Executive Committee of three members to act in place of the Commission during intervals between meetings, and the three heads of the Departments above named constituted this Committee. These heads of Departments were authorized to appoint all officers and employes in their respective Departments, subject to the approval of the Commission.

Mr. Wallace resigned on June 28, 1905, and was succeeded by Mr. John F. Stevens as Chief Engineer, although the latter was not made a Commissioner until June 30, 1906.

### Lock Canal Adopted.

Chief Engineer Wallace, in a report dated February 1, 1905, recommended that a sea-level canal be constructed, and shortly thereafter a committee of three of the engineer members of the Commission, namely, Messrs. Burr, Parsons, and Davis, also recommended the adoption by the Commission of a sea-level plan. Up to this time it had been assumed that a lock canal would be constructed substantially in accordance with the plan recommended by the former Commission in 1901.

The reports of Chief Engineer Wallace and the Engineering Committee, above referred to, favoring a sea-level canal created doubt as to the best type of canal to be constructed, and in the President's order of April 1, 1905, appointing the Shonts Commission, he declared his intention to appoint a Board of Consulting Engineers to advise on the important engineering questions arising in the selection of the best plan for the construction of the canal. This Board was appointed by the President by an executive order dated June 24, 1905, and consisted of the following eight American and five foreign engineers: General George W. Davis, Chairman; Mr. William Barclay Parsons; Mr. William H. Burr; Mr. Alfred Noble; Gen. Henry L. Abbot; Mr. Frederic P. Stearns; Mr. Joseph Ripley; Mr. Isham Randolph, Americans; and Mr. William H. Hunter, British; Mr. Ad. Guerard, French; Mr. Eugene Tincauzer, German; Mr. J. W. Welcker, Dutch, and Mr. E. Quellenec, of the Suez Canal Staff. This Board divided in its recommendations, eight members, including the five foreigners, and General Davis, Mr. Parsons and Mr. Burr, advocating a sea-level canal with a minimum width of 150 feet; the other five members recommended a lock canal with an 85-foot summit level and three locks at Gatun on the Atlantic side, and one at Pedro Miguel, and two near the coast on the Pacific side. On June 29, 1906, Congress passed an Act directing that the Canal be constructed "of the general type proposed by the minority of the Board of Consulting Engineers," the President, the Secretary of War, and the majority of the Commission having united in recommending this type.

The delay in reaching a decision as to the type of canal retarded somewhat the progress of the work, but as soon as the question was definitely decided the work was prosecuted with gradually increasing vigor.

### Description of the Canal.

The canal will have a summit elevation of 85 feet above the sea, to be reached by a flight of three locks, located at Gatun, on the Atlantic side, and by a flight of two locks at Miraflores, and one lock at Pedro Miguel on the Pacific side; all these locks to be in duplicate, that is, to have two chambers, side by side. The summit level will be maintained by a large dam at Gatun and a small one at Pedro Miguel, making the great Gatun Lake, which will have an area of 164.23 square miles. A small lake, about two square miles in area, with a surface elevation of 55 feet, will be formed on the Pacific side of the canal between Pedro Miguel and Miraflores, the valley of the Rio Grande being closed by a small dam and the locks at Miraflores.

The canal is to be about fifty miles in length from deep water in the Caribbean Sea to deep water in the Pacific Ocean. The distance from deep water to the shore line in Limon Bay, Atlantic side, is about  $4\frac{1}{2}$  miles, and from the Pacific shore line to deep water is about 5 miles; hence the length of the



canal from shore to shore will be approximately  $40\frac{1}{2}$  miles. The bottom width of the canal will vary from 200 feet in Culebra Cut to an indefinite width in the deep waters of Gatun Lake. The approaches from deep water to land on both sides of the canal are to be 500 feet wide, and the cuts in the shallow parts of the lakes from 500 to 1,000 feet wide. The canal will have a minimum depth of 41 feet. Each lock will have a usable length of 1,000 feet, a width of 110 feet, and a depth of 4 feet 4 inches over the sills. The walls of the locks will be of concrete, and the gates of steel.

The great Gatun dam, which will impound the waters of the Chagres, the Gatuncillo, and Trinidad rivers, and create a lake whose normal summit level will be 85 feet above the sea, will be practically a mile and a half long, half a mile wide at the base, with its crest 135 feet above mean tide, and the top thickness of the dam of the cross section now adopted will be 80 feet. There will be a spillway in about the middle of this dam, constructed through a hill or solid ground now existing, by means of which the level of the lake will be controlled, it being the intention never to let it exceed 87 feet in height. The level of water in the lake will be the same as that throughout the Culebra Cut, and as far as the upper lock gates at Pedro Miguel.

In entering the canal from the Atlantic side a ship will proceed from deep water in Limon Bay to Gatun locks, a distance of slightly over seven miles, through a channel 500 feet wide; going through the flight of three locks at Gatun, she will traverse nearly six-tenths of a mile before reaching Gatun Lake, 85 feet above the sea; thence for a distance of nearly 16 miles there will be a channel through the lake of 1,000 feet or more in width to San Pablo; from San Pablo to Juan Grande, 3.8 miles, the channel will be 800 feet wide; from Juan Grande to Obispo, 3.7 miles, the channel will be 500 feet wide, and it may be said that at this point navigation through the lake will be terminated and the entrance to the Culebra Cut will begin, although the channel from Obispo to Las Cascadas, a distance of one and a half miles, will be maintained at 300 feet; thence to Cucaracha, a distance of 4.7 miles, the channel will be 200 feet wide, and from Cucaracha to Pedro Miguel, a distance of 1.9 miles, the channel will again widen to 300 feet. Going through the Pedro Miguel lock and approaches, nearly three-tenths of a mile in total length, the vessel will be lowered to the level of Miraflores Lake, 55 feet above mean tide, through which there will be a channel 500 feet wide and 1.4 miles long to the Miraflores locks; thence through the two Miraflores locks, of a total length, including approach walls of over nine-tenths of a mile, she will be lowered to the tide level and proceed through a channel 500 feet wide and 8 miles long to deep water in the Pacific.

It will thus be seen that about 25 miles will be navigated through the two lakes, where the minimum channel width is 500 feet, and where, therefore, practically full speed can be maintained. The sea-level channels at both ends of the canal, a total length of about 15 miles, can also be traversed at practically full speed. Aside from the locks there will be only about 8 miles to be navigated through channels from 200 to 300 feet wide.

#### Amount of Work Done by the French.

The amount of material excavated by the old and new French Panama Canal Companies was 81,548,000 cubic yards, and of this amount it has been estimated that about 36,000,000 yards will be utilized in the construction of the present canal.

#### Work Done by the Commission.

The plan adopted by the United States required a total excavation, since May 1, 1904, of approximately 142,000,000 cubic yards. Up to the end of March, 1908, there had been excavated 31,892,000 cubic yards, leaving 110,108,000 cubic yards to be excavated.

### **Caring for Health of Employees.**

Up to the end of January, 1908 (the latest date for which figures are now available), there had been expended over \$13,000,000 on account of civil administration, municipal improvements, and sanitation, which covered the work of building roads, providing fire and police establishments, courts of justice, schools, postoffices, the erection and maintenance of hospitals, and the sanitation of the Canal Zone, including the Cities of Panama and Colon.

The principal streets of Panama and Colon have been paved, and water works and sewer systems established in both cities. Three large reservoirs have been constructed and pumping stations and standpipes established where needed, ample provision thus having been made for supplying water for all towns and villages in the Canal Zone, as well as in the cities of Panama and Colon.

During the past year fifteen hotels for Americans, eighteen mess halls for Europeans, and twenty-three kitchens for West Indian laborers have been operated, the employes concerned paying for their meals practically only the cost of food and the operation of the different establishments.

President Roosevelt, commenting upon this subject in his special message to Congress after his visit to Panama in 1906, said: "The first great problem to be solved, upon the solution of which the rest of the work depended, was the problem of sanitation. \* \* The results have been astounding. The Isthmus had been a byword for deadly unhealthfulness. Now, after two years of our occupation, the conditions as regards sickness and the death rate compare favorably with reasonably healthy localities in the United States."

### **Contracts to Lowest Bidders.**

The following is a provision relative to contracts for purchase of supplies contained in the executive order of the President, of January 8, 1908, regarding the organization and work of the Commission, and is substantially the same as that contained in the executive order of the President dated April 1, 1905:

"Contracts for the purchase of supplies, involving an estimated expenditure exceeding \$10,000.00, shall be made only after due public advertisement in newspapers of general circulation, and shall be awarded to the lowest responsible bidder, except in case of emergency, when, with the approval of the Secretary of War, advertising may be dispensed with.

"In the making of contracts for supplies or construction involving an estimated expenditure of more than \$1,000.00 and less than \$10,000.00, competitive bids shall be secured by invitation or advertisement whenever practicable."

### **The Labor Supply.**

Americans are given preference in every branch of the work in which their services can be had. Few of them are willing to undertake the hard labor on the canal in that climate, and therefore for this class of labor the Commission has been compelled to look elsewhere.

The skilled labor force is recruited in the United States. Agents of the Commission receive applications for all outside positions, personally examining the individual and looking into his previous service record. Whenever an applicant is not within convenient reach of the employment agent written applications are received direct by the Washington Office of the Commission. This includes trainmen, steam-shovel operators, foremen, and mechanics. Clerks, stenographers, draftsmen, doctors, and nurses are secured through the Civil Service registers. All appointments are made through the Washington Office, which also arranges for transportation of employes to the Isthmus, including members of their families. The skilled force on June 30, 1906, was approximately 2,500 and on June 30, 1907, actually 4,404. To increase this force 1,904 men and provide for the usual separations, due to sickness, resignations, etc., 3,038 men were brought from the United States during the year.



An executive order, signed by the Secretary of War by authority of the President, February 8, 1908, provides that on and after that date the employment of skilled laborers, clerks, and all others who had theretofore been known as gold employees of the Commission should be restricted to American citizens, except where American labor or service of the character required is not available. Foreign employees were not to be affected by this order save that in the event of any reduction in force preference should be accorded to American citizens.

Owing to the unwillingness of American laborers to engage in the heavy work in the tropical climate of Panama the unskilled labor force is brought from the West Indian Islands and from Europe. On June 30, 1907, the unskilled labor force consisted of 4,317 Europeans and 14,608 West Indians.

#### Appropriations for the Canal.

In addition to the \$40,000,000.00 paid to the French Company for its property and rights of all kinds on the Isthmus, and the \$10,000,000.00 paid to the Republic of Panama for the rights granted under the treaty between that Republic and the United States, there have been appropriated by Congress the following amounts "to continue the construction of the Isthmian Canal":

Act of June 28, 1902. This Act limits the amount to be thereafter appropriated to the sum of \$145,000,000, of which there is appropriated thereby	\$10,000,000.00
Act of December 21, 1905	11,000,000.00
Act of February 27, 1906	5,990,786.00
Act of June 30, 1906	25,456,415.08
Act of March 4, 1907	27,161,307.50
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	79,608,568.58
Act of February 15, 1908	12,178,900.00
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	91,787,468.58

#### Time of Completion of Canal.

In addition to excavation preliminary work on the locks and dams is progressing, and it is estimated that the laying of concrete in the locks will commence about January 1, 1909. It has also been estimated that the determining factor in this time of completion of the canal will be the construction of the Gatun dam, and while the total excavation required for the rest of the work could probably be finished in less time, it is the intention to adjust the whole work so that all the separate parts will be completed at approximately the same time, which, it has been unofficially estimated, will be about January, 1915.

#### What the Canal Means.

[By Charles M. Pepper.]

There are many meanings to the Canal and many results from its construction by the United States.

The daily story of the steam shovels is one of the most fascinating and instructive chapters in the history of canal construction, telling as it does in the record of the thousands of cubic yards excavated in the Culebra Cut the marvelous engineering progress that is being made on the waterway. The sanitary miracle wrought in freeing the Isthmus from yellow fever epidemics and other tropical diseases and in insuring a healthy and effective body of laborers is another chapter in canal building to which the world offers no parallel. The transplanting of the American home life, the schools, the churches, and the Young Men's and Young Women's Christian Associations is a contribution to Christian civilization which will find a responsive echo in the millions of American homes where these ideals are cherished. The zealous and intelligent devotion to duty which is shown by the Canal Commission and its employees, from the highest to the lowest, is an example for all peoples who would



advance in civic virtue up to the American standard. But there are other chapters in which the Canal policy, as inaugurated by President Roosevelt and carried out by Secretary Taft, opens new prospects. There is both the immediate and the ultimate expansion of American commerce and the legitimate extension of the moral and political influence of the United States which goes with it.

The Canal means more trade in the Orient and on the West Coast of Central and South America. It means more trade in the first place because the trade routes are shortened. The Canal puts into force the railway maxim of the short rail and the long water haul as the best for the producer, the common carrier and the consumer. This shortening of the routes means that the Mississippi Valley with its agricultural products, its flour, its farm tools and other machinery has this haul for the 500,000,000 consumers in the Orient. It means that the cotton mills of the South will be closer to this huge body of buyers, and that the shipping of the world will draw on the Southern coal fields for fuel. It means that the factories of New England and the Eastern States, saving the 10,000 miles voyage around Cape Horn, will have a short cut from the Western to the Eastern Hemisphere, which will neutralize the advantage that the Suez Canal gives to their European competitors; that New York will be as near to China as Liverpool is, and that it will be 2,000 miles nearer to Japan.

Here is some of the trade of the United States with the Orient and with Oceania to-day: Japan, \$108,000,000; the Chinese Empire and Hongkong, \$70,000,000; the British East Indies, \$93,000,000; the Dutch East Indies, \$14,000,000. This is a big quantity of goods going out and a big quantity coming in, most of which will be favorably affected by the Canal route. It is some measure of the future growth of our Pacific commerce, which in the last dozen years has risen from \$125,000,000 to \$400,000,000.

Then there is the trade with our American Asiatic capital—Manila. The foreign commerce of the Philippines under our peaceful and fostering control has now reached \$65,000,000, and is expanding toward the \$100,000,000 mark. The present interchange of \$20,000,000 of commodities between the United States and the Philippines will undoubtedly grow, and the United States will absorb a larger share of the business. There is also the trade of our strategic territory in the mid-Pacific, the Hawaiian Islands, which, when the Canal is opened, will be shipping through it 400,000 tons of sugar-cane products to the refineries on the Atlantic coast.

But above all, there is the Pan-American meaning of the Canal. It means that for a large section of South America the dream of James G. Blaine becomes true and the markets of the United States are extended, while the products of those countries flow to us in an unbroken stream. It means that the policy of closer commercial relations which was inaugurated by President Roosevelt will continue unchecked, and that the influence of the visit of Secretary Root in fostering and fomenting Pan-American trade will grow deeper, while the Monroe Doctrine will vindicate its utility to the commerce of both continents. The Canal means that the people of the West Coast of Central and South America, through their reciprocal commercial interest, will be neighbors to the United States in fact as well as in name.

The foreign trade of the South American and Central American countries which are within the radius of the Canal now approximates \$300,000,000 annually. It is not an exaggerated estimate that by the time the waterway is opened this commerce will have reached \$500,000,000, and the tendency will be for it to gravitate more and more to the United States. Here is an illustration of the way commerce has grown since the United States obligated itself to build the Canal:

“ In 1904 the trade between the United States and Chile was \$15,150,000; Bolivia, a few thousand dollars; Peru, \$7,000,000; Ecuador, \$3,700,000. In 1907 the trade was: Chile, \$28,500,000; Bolivia, \$2,500,000; Peru, \$13,000,000; Ecuador, \$4,800,000. In a single year the imports from Peru were increased by nearly \$5,000,000, and this was because the great American mine interests were getting the first returns from their copper investments

and were sending thousands of tons across the Isthmus to the mills and factories of the United States to be fabricated into railway material, electrical apparatus, and the countless other articles into which copper enters. When the Canal is opened and these shipments can be made without the necessity of the railway transfer across the Isthmus their volume will be vastly increased, and substantially all the mines of the Andes will be laying down their products in the United States.

The Canal means that the vast treasure house of the Andes, the silver and gold, the tin and copper mines, are to be opened up by capital from the United States, while the products of the farms and the output of the factories will be carried to them more quickly and more cheaply. There are hundreds of millions of untouched mineral wealth lying in these mountains waiting not for future ages, but for the present generation to exploit them. The Canal means the railway building which will make this exploitation possible, because under the paramount moral influence of the United States and under the commercial prosperity which the Andean countries see coming to them as a result of the Canal all are encouraged to maintain the stable government which alone can draw foreign capital to them.

There is now \$75,000,000 of American capital invested in the section of South America which is directly tributary to the Canal. Much of this capital was invested after it became settled that the United States would build the waterway. Without such incentive those Andean treasure-houses would have remained untouched for generations yet. This American capital has gone into the heart of South America—Bolivia—where it is building railways and is opening up tin and copper and silver mines. There is \$25,000,000 of it that already has gone, and more will go in the future. It has gone into Peru, where \$20,000,000 has been invested in a single enterprise, that of exploiting the great Cerro de Pasco copper fields. Other investments of American millions have been made in other copper mines and smelting works in Peru. American capital has gone into Ecuador, where it controls the marvelous railway leading from the coast through the clouds over the Andean plateaus to the ancient capital of Quito. In all the countries it has gone into these mining and railway enterprises, and it is now going into general trade, so that American goods are being pushed and handled by Americans.

One of the first results of the Canal has been the development of the Republic of Panama into a prosperous tropical State. In 1907 it had a total foreign trade of more than \$19,000,000. Nearly \$8,000,000 of this was exports from the mills and factories of the United States to the Canal Zone to be employed in building the waterways. All told, the United States shipped \$18,665,000 worth of goods to Panama. Of the imports taken by it in addition to the Canal supplies there was \$5,200,000 of other commodities from the United States, and the prosperous little commonwealth increased its exports by \$843,000, the total amount being \$1,961,000. Practically all these exports were taken by the United States.

Here are some of the products from the farms and factories of the United States that were consumed on the Isthmus during 1907: Flour, \$350,000; cotton cloths and wearing apparel, \$850,000; coal, \$545,000; explosives, \$275,000; steel rails, \$376,000; wire, \$167,000; locomotives, \$1,093,000; other steam engines, \$1,015,000; miscellaneous iron and steel products, \$1,540,000; boots and shoes, \$421,000; packing house products, \$1,400,000; illuminating and other oils, \$280,000; vegetables, \$284,000; paints, \$157,000; soap, \$116,000; sugar, \$94,000; lumber and various products of lumber, \$2,000,000; miscellaneous products, \$1,600,000.

The growth in the commerce between the United States and the countries of Central and South America, the new market for railway material and machinery, for textiles and breadstuffs, the employment of American capital in building the railroads and in opening up the mines, the opportunities for young Americans which these enterprises have offered, are among the first fruits of the Canal. A larger trade, more paying investments, and wider opportunities will come as the work progresses.



## THE DEMOCRATS AS EXPANSIONISTS.

**Democrats Schemed for the Annexation of Cuba, Hawaii and Other Islands.**

Nearly every Democratic President from Jefferson to Buchanan expressed a desire for the addition of Cuba to the territory of the United States, several of them hinting at a similar desire with reference to Porto Rico, and that at least one of them actively pressed for the annexation of the Hawaiian Islands to the United States, while schemes looking to the addition of non-contiguous territory in Central America and upon the Isthmus of Darien were favored by leading Democrats.

**Many Democratic Presidents Wanted to Annex Cuba.**

Jefferson, both while President and afterwards, in correspondence with Madison and Monroe, frequently expressed a desire that Cuba should some time become a part of the United States, and the Democratic text book as late as 1898, issued as an official document of the Democratic party, quotes extracts from his letters in support of that statement. President Monroe also expressed himself in favor of making Cuba a part of the United States. Polk favored the annexation of Cuba, and Hon. James D. Richardson, the present member of Congress from Tennessee, who now holds up his hands in holy horror at the thought of this kind of expansion, says in his index to the Messages and Papers of the Presidents, page 332, volume 10:

President Polk made a proposition in 1840 for the purchase of the island by the American Government for \$100,000,000. In 1834 the Ostend manifesto claimed the right of the United States, should Spain refuse to sell Cuba, to take and annex it.

The Ostend manifesto, it will be remembered, was an announcement made by President Pierce's Ministers to England, France and Spain (Buchanan, Madison, and Soule), in which they suggested that an earnest effort be made to purchase Cuba at a price not to exceed \$120,000,000, and added that if this should be refused by Spain "we should be justified by every law, human and divine, in wresting it from Spain if we possess the power," a proposition of which Lossing, the historian, says: "The bald iniquity of this proposition amazed honest men in both hemispheres."

Spain having refused to sell, and the sentiment of the world failing to sustain the Democratic proposition to seize the island, Pierce's Administration failed, but that of Buchanan immediately took it up again, and President Buchanan, in three of his annual messages to Congress, urged that Cuba ought to be made by purchase a part of the United States. During his term a bill for that purpose was introduced in Congress by Senator Slidell, whose name is well remembered in connection with the Confederate Government, and was sustained by Southern Democrats generally, while the same proposition for obtaining control of the island of Cuba by some process was publicly commended by Jefferson Davis in a speech in his own State during that time. The efforts of the various Democratic Presidents for the purchase of Cuba having been rejected by Spain, the Democratic national convention took up the question and in the platforms upon which two of its candidates, Douglas and Breckinridge, ran in 1860 it declared pointedly in favor of the annexation of Cuba, as follows:

*Resolved*, That the Democratic party are in favor of the acquisition of the island of Cuba upon such terms as shall be honorable to ourselves and just to Spain.

**Democratic Effort to Annex Hawaii.**

It is also on record that at least one Democratic President attempted to make Hawaii a part of the United States, although within the memory of the present generation a Democratic President hauled down the United States flag in that island and withdrew from the Senate a treaty of annexation which a Republican President had sent to that body. Under President Pierce an active effort was made to annex Hawaii, and probably would have been successful but for the death of



the King after the treaty of annexation had been prepared and forwarded to the United States. It is a matter of official record in the State Department that negotiations were opened by President Pierce, through his Secretary of State, Marcy, and the Minister to the Hawaiian Islands, David L. Gregg, for the annexation of Hawaii; that a treaty for that purpose was drawn and forwarded to the United States in 1854, and that while President Pierce objected to certain of its features, his Secretary of State responded to Minister Gregg that—

This Government will receive the transfer of the sovereignty of the Sandwich Islands with all proper provisions relative to existing rights of the people thereof, such as are usual and proper to territorial sovereignty. The President directs me to say that he can not approve of some of the articles of the treaty; there are in his mind strong objections to the immediate incorporation of the islands in their present condition into the Union as an independent State. It was expected that the Hawaiian Government would be willing to offer the islands to the United States as a Territory and leave the question in relation to their becoming a State to the determination of this Government, unembarrassed by stipulations on that point. \* \* \* The President desires me to assure you that he takes no exception whatever to your course in this difficult and embarrassing negotiation, but, on the contrary, it is highly approved. Your efforts have been properly directed and your ability is appreciated and commended.

#### **Yucatan and the Danish West Indies wanted by Democratic Presidents.**

In addition to the above evidence of Democratic efforts to add island territory to that of the United States, a part of it thousands of miles away, it may be further remarked that President Polk in a message to Congress, on April 29, 1848, intimated strongly a desire to send troops to Yucatan and take possession of that territory, suggesting that this might be advisable in order to prevent that territory from falling into the hands of a European power, while President Johnson, after severing his allegiance to the Republican party and receiving the support of the Democrats, recommended, in a message to Congress, the purchase of the Danish West Indies.

[Extracts from Democratic Platforms.]

1844

The reoccupation of Oregon and the reannexation of Texas at the earliest practicable period, are great American measures, which this convention recommends to the cordial support of the Democracy of the Union.

1860

That the Democratic party is in favor of the acquisition of the Island of Cuba on such terms as shall be honorable to ourselves and just to Spain, at the earliest practicable moment.

1884

This country has never had a well-defined and executed foreign policy save under Democratic administration. That policy has ever been in regard to foreign nations, so long as they do not act detrimental to the interests of the country or hurtful to our citizens, to let them alone; that as a result of this policy we recall the acquisition of Louisiana, Florida, California and of the adjacent Mexican territory by purchase alone, and contrast these grand acquisitions of Democratic statesmanship with the purchase of Alaska, the sole fruit of a Republican administration of nearly a quarter of a century.

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#### **IMPORTS OF TROPICAL AND SUBTROPICAL ARTICLES INTO THE UNITED STATES.**

These tables are given because of their special interest at this time when the United States is developing a close relation of interchange with certain tropical areas: In the case of Porto Rico and Hawaii, an absolute freedom of interchange of its manufactures and temperate zone products for the tropical pro-

ductions of those islands; in the case of the Philippines, reduced rates of duty on articles coming from those islands, and in the case of Cuba, a reduction in rates of duty on products coming from that island and in return therefor reduced rates of duty on articles from the United States entering that island. It will be seen that the value of tropical and subtropical merchandise brought into the United States, including that from our own islands, has grown from 145 million dollars in 1870 to 567 millions in 1907, and that a very large proportion of these articles are of classes absolutely required for manufacturing or for foods and in most cases of a class which are not produced in the United States, or at least not sufficient for our own requirements.

*Value of principal imports of tropical and subtropical articles at quinquennial periods from 1870 to 1907.*

Articles.	Year ending June 30—			
	1870.	1890.	1900.	1907. b
Sugar and molasses a-----	\$69,802,601	\$82,915,044	\$85,949,891	\$127,354,448
Coffee -----	24,234,879	78,267,432	52,467,943	78,381,182
Silk -----	3,017,958	24,331,867	45,329,760	71,411,899
Fibers -----	6,043,102	20,541,767	26,373,805	42,254,355
India rubber and gutta percha -----	3,459,665	14,854,512	31,792,697	59,121,320
Fruits and nuts-----	7,416,592	20,746,471	19,263,592	37,040,689
Tobacco, and mfrs of-----	4,181,736	21,710,454	15,661,360	35,608,109
Tea -----	13,863,273	12,317,493	10,558,110	13,915,544
Cotton -----	331,573	1,392,728	7,960,945	20,995,684
Vegetable oils -----	2,511,334	3,221,292	6,320,711	15,394,581
Gums -----	1,288,494	5,697,280	6,884,704	14,974,156
Cocoa, and mfrs of, and chocolate -----	418,064	2,859,642	6,210,985	14,578,989
Spices -----	1,513,126	3,223,071	3,401,265	5,113,000
Cabinet woods -----	670,131	-----	2,430,702	5,355,600
Rice -----	1,007,612	2,540,674	2,279,036	4,548,256
Cork, and mfrs of-----	224,918	1,588,767	1,909,483	4,063,982
Feathers -----	52,760	1,741,383	1,736,458	4,401,154
Opium -----	1,776,908	1,453,298	2,189,721	3,068,126
Licorice -----	-----	794,503	1,667,256	1,140,541
Ivory -----	-----	909,582	1,049,034	2,470,405
Dyewoods and extracts-----	1,337,093	1,943,272	1,083,644	913,465
Indigo -----	1,203,664	1,827,937	1,446,490	1,233,541
Vanilla beans-----	-----	559,867	1,209,334	1,523,156
Sago, tapioca, etc-----	388,621	1,108,726	411,029	1,432,082
Barks for quinine-----	-----	282,775	563,065	380,552
Sponges -----	86,483	416,718	536,303	488,426
<b>Total -----</b>	<b>\$144,830,587</b>	<b>\$307,246,555</b>	<b>\$336,687,323</b>	<b>\$567,166,242</b>

a Only cane sugar not above No. 16 Dutch standard in color, and molasses.  
b Includes articles from Hawaii and Porto Rico.

*Quantities of principal articles of tropical and subtropical growth imported from 1870 to 1907.*

Articles.	Year ending June 30—				
	1870.	1880.	1890.	1900.	1907.
Sugar a--lbs.	1,196,622,049	1,829,286,030	2,332,820,896	3,305,087,796	5,198,909,054
Coffee ---do.	235,256,574	446,850,727	499,159,120	787,991,911	986,599,779
Silk -----do.	583,589	2,562,236	5,943,360	11,259,310	18,743,904
India rubber and gutta percha, lbs.	9,624,098	16,826,099	33,842,374	58,506,569	77,510,728
Tobacco, leaf -----lbs.	6,256,540	9,759,355	28,720,674	19,619,627	42,341,300
Cotton ---do.	1,698,133	3,547,792	8,606,049	67,398,521	127,833,300
Fibers ---tons.	43,533	111,751	195,332	249,306	312,983
Cocoa ---lbs.	3,640,845	7,403,643	18,266,177	41,746,872	92,240,819
Olive oil gal.	251,727	383,131	893,984	967,702	3,149,517
Tea -----lbs.	47,408,181	72,162,936	83,886,829	84,845,107	86,362,490
Rice -----do.	43,123,939	57,006,255	124,029,171	116,679,891	213,144,062

a Cane sugar under No. 16 Dutch standard in color only; figures of 1907 include sugar from Hawaii and Porto Rico.

**Trade of the United Kingdom with its Colonies.**

The table which follows showing the trade of the United Kingdom with its Colonies is suggestive and interesting, especially in the showing which it presents as to the market which that country finds for its merchandise in the communities with which it has relations of this character. It will be noted that while the total exports of the United Kingdom have barely doubled in the period from 1869 to 1906, the exports to her colonies have nearly trebled during the same period and that the value of her merchandise sold in the colonies in that period aggregates 16 billions of dollars.

*Statement showing the total imports and exports of the United Kingdom, and the amount imported from and exports to her Colonies during the past thirty-eight years, 1869 to 1906.*

Year.	Imports.		Exports.	
	Total imports.	Imports from colonies.	Total exports.	Exports to colonies.
1869	\$1,437,857,131	\$342,681,854	\$1,153,433,750	\$252,531,187
1870	1,475,802,590	315,506,938	1,187,818,128	269,561,917
1871	1,610,886,833	354,984,010	1,380,016,278	270,389,037
1872	1,726,116,521	386,267,989	1,530,946,561	319,287,259
1873	1,806,869,996	394,235,759	1,513,504,689	346,240,316
1874	1,801,007,465	399,845,456	1,448,515,983	379,149,151
1875	1,819,776,951	410,819,255	1,370,466,370	373,041,611
1876	1,825,690,362	410,404,481	1,249,603,334	341,384,435
1877	1,919,443,383	435,814,531	1,228,041,906	368,647,838
1878	1,794,622,816	379,810,859	1,191,647,195	350,352,514
1879	1,766,499,960	384,174,348	1,210,701,241	323,665,917
1880	2,001,248,678	450,242,765	1,393,835,999	396,753,915
1881	1,932,109,943	445,477,755	1,445,753,324	421,834,021
1882	2,009,959,922	483,880,460	1,492,364,365	449,361,013
1883	2,077,467,869	480,233,544	1,486,409,501	439,933,016
1884	1,898,025,366	466,273,531	1,440,326,242	429,729,930
1885	1,805,315,553	410,741,034	1,321,129,720	416,034,710
1886	1,702,610,586	398,488,695	1,308,891,227	400,184,346
1887	1,762,780,440	407,806,203	1,368,765,830	400,367,265
1888	1,886,429,343	422,975,439	1,453,027,603	446,393,791
1889	2,081,098,356	473,345,335	1,535,831,773	442,053,886
1890	2,047,297,603	467,968,548	1,597,438,932	459,993,595
1891	2,119,074,911	484,045,050	1,504,301,909	454,229,956
1892	2,062,392,927	475,779,718	1,419,266,868	395,215,964
1893	1,969,415,018	446,596,048	1,348,693,391	382,425,688
1894	1,987,210,018	457,023,556	1,332,378,922	382,438,613
1895	2,027,820,221	464,897,767	1,391,003,409	370,205,123
1896	2,150,063,031	453,596,873	1,422,329,445	441,148,230
1897	2,194,932,434	457,586,162	1,431,598,345	423,212,102
1898	2,289,905,792	484,815,412	1,430,819,072	438,523,897
1899	2,360,425,665	519,884,764	1,603,680,413	458,665,678
1900	2,545,515,281	533,030,835	1,724,559,874	496,500,059
1901	2,540,265,299	513,774,110	1,692,881,460	550,490,518
1902	2,571,416,135	519,708,295	1,699,570,518	571,869,627
1903	2,640,564,306	553,178,389	1,753,758,475	581,469,826
1904	2,681,629,483	584,069,573	1,805,545,496	587,792,884
1905	2,749,669,426	622,273,136	1,983,568,499	597,182,461
1906	2,958,289,365	691,847,141	2,241,888,602	635,793,874

Total exports of United Kingdom to colonies from 1869 to 1906,  
\$16,064,055,170.

**We are no more against organizations of capital than against organizations of labor. We welcome both, demanding only that each shall do right and shall remember its duty to the Republic.—President Roosevelt at Milwaukee, Wis., April 3, 1903.**

**Any unjust discrimination in the terms upon which transportation of freight or passengers is afforded an individual or a locality paralyzes and withers the business of the individual or the locality exactly as the binding of the arteries and veins leading to a member of the human body destroys its life.—Hon. Wm. H. Taft, at Columbus, Ohio.**

**The course of the Republican party since its organization in 1856, and its real assumption of control in 1861, down to the present day, is remarkable for the foresight and ability of its leaders, for the discipline and solidarity of its members, for its efficiency and deep sense of responsibility for the preservation and successful maintenance of the government, and for the greatest resourcefulness in meeting the various trying and difficult issues which a history of now a full half-century have presented for solution.—Hon. Wm. H. Taft, at Kansas City, Mo.**



## RECENT TEMPORARY GOVERNMENT OF CUBA BY THE UNITED STATES AND ITS EFFECT ON THE CONDI- TIONS IN THE ISLAND.

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On May 20, 1902, the military government of Cuba, by order of President Roosevelt, issued in compliance with the promise made by the United States Congress in the Teller Resolution, transferred the government of Cuba to its newly elected President and Congress. Under the presidency of McKinley, a brief war with Spain had secured Cuba's freedom from Spanish dominion. Three years of military administration had established order, constituted a government, placed the finances of the country on a sound basis, and the new Republic entered on its national life under the best auspices. But one circumstance distinguished it, in its relation with the United States, from other Latin American Republics; namely, the existence of a law of the American Congress, known as the Platt amendment, which had been adopted by the Cubans as a part of their constitution, and was later embodied in a permanent treaty between the two countries. According to the law and treaty, the Republic of Cuba undertook to enter into no compact with foreign powers which would tend to impair the independence of the Republic, to contract no public debt to the service of which it could not properly attend, to lease coaling stations to the United States, and to execute and extend plans for the sanitation of the cities of the Island, and consented that the United States might exercise the right to intervene for the preservation of Cuban independence, the maintenance of a government adequate for the protection of life, property, and individual liberty, and for discharging the obligations with respect to Cuba imposed by the Treaty of Paris on the United States which were now to be assumed and undertaken by the Government of Cuba.

But while economically, with the assistance of the United States, the progress of Cuba was highly gratifying, in political matters, where the Cubans were left to themselves, the result was not so satisfactory. It was soon evident that political passion was becoming more and more intense, and personal ambition keener. To such an extent was partisanship carried in the Cuban Congress, that the minority party, availing themselves of the provisions of the constitution which require the presence of two-thirds of the total membership of each branch to open sessions and of the omission of the constitution to provide means for compelling the attendance of absent members, remained away from the meetings of the Congress and prevented sessions except at irregular intervals. During the term of Congress lasting from April 4th to October 20th, 1904, a period of 199 days, the Lower House was, due to the obstructive tactics of the minority, able to hold but sixteen daily sessions and the Senate but twenty-six daily sessions; and a similar record of infrequent and irregular sessions continued throughout 1905.

For the administration of the executive departments no law whatever has been provided. The Cuban Congress, engrossed in its political squabbles, took no steps to remedy the situation beyond passing an electoral law, the defects of which made extraordinary fraud possible, and a skeleton provisional law. Those who had criticised the military government for promulgating legislation instead of leaving all legislative matters for the action of the Cuban Congress, were effectively silenced. So barren of legislative results were the sessions of Congress, that in five years of the self-administered Republic only two annual budgets were passed; the three remaining budgets being pro-

vided, when Congress had failed to act, by the doubtful expedient of executive order.

Another source of bitterness was the policy of the government, in the hands of the Moderate party, to dismiss the office-holders of the opposition party, the Liberals, and to reserve the positions in the public service for its own followers. Local pride was especially outraged by the action of the Moderate government in turning out the Liberal town councils, by illegal or technical interpretations of the irritating municipal law, and substituting Moderates.

But what most exacerbad the strained relations between the political parties were the intimidation and colossal frauds practiced at the elections of 1905. The Liberals claimed that the Moderates used the rural guard and municipal police to intimidate the voters, that the assaults to which the Liberals were exposed were such as to make it dangerous for them to appear for registration, and they accordingly refrained from registering, and withdrew from the elections. Nevertheless, the returns made by the Moderate election judges showed that 432,313 persons had voluntarily appeared for registration. That the electoral lists had been padded to the degree of absurdity is made evident by the fact that the census of Cuba just completed shows that there are now in the Island only 419,342 persons of all parties entitled to vote. It is probable that 200,000 names were fraudulently inserted in the registration lists.

Even during the elections there had been armed encounters between individual Moderates and Liberals. In Cienfuegos, an attempt made by the Moderate chief of police to arrest a Liberal congressman resulted in the death of both, and the government was bitterly blamed. A few months later a post of the rural guard near Habana was attacked and several guards murdered while asleep, and prominent Liberals were charged with this deed. But it was not until August, 1906, that open revolt against the government began. On that date a small armed force took the field, and uprisings immediately followed throughout the country led by prominent leaders disaffected with the government. The ranks of the insurgents were augmented on account of the natural tendency to insurrection that had been cultivated by a long period of insurrection in Cuba, as well as by the inclination of many to secure relief from daily toil and live on the country and property of others. The power of this irregular force to do damage was incalculable. The greater part of the wealth of Cuba lies in its sugar plantations and sugar mills, most of which are owned by foreign capital, and the flaring of a few matches could in a short time have destroyed property of this kind to the value of millions of dollars.

The government of Cuba found itself entirely unprepared. Its artillery and rural guard force was comparatively small, and so scattered as to be unable to cope with the insurrectionists. The government made desperate efforts to organize militia, but with very unsatisfactory results. President Palma, in a letter to a friend a few weeks later, thus summarized the situation:

From the first days of the insurrectionary movement I understood the situation and was able to appreciate it with a serene mind. I saw before me numerous masses, tired of the order and legality to which they appeared to have submitted during the four years of the Republic, eager for license and forays, follow like a mob the first adventurer who invited them to rise; I saw everywhere persons who sympathized with disorder and encouraged disturbances; I saw the press in the morning, afternoon, and at all hours, assisting with unparalleled cynicism the secret conspiracy organized in behalf of the rebels; I suddenly found myself in the midst of a tremendous social disorganization, with thousands of insurgents in three provinces and the menace of rebellion in two others, without sufficient regular forces to undertake immediately an active campaign against the former and to beat and disorganize them; at the same time I constantly feared that they would carry to the great sugar plantations of Santa Clara the measures of destruction already realized on railroad stations, locomotives, bridges, culverts, etc.; I saw the customs revenues fall off by one-half and the other income of the State to 25 or 30 per cent., and that the millions of the Treasury were being spent in streams with uncertain result and to very doubtful advantage, a large part being used for keeping up hastily improvised militia, which, for that very reason, could not inspire sufficient confidence as to their reliability for undertaking the labor, the privations, and the dangers of a constant persecution of adversaries, who were also Cubans and in a great number of cases friends and comrades.



### **The Appeal for Intervention by the United States.**

By the beginning of September the Cuban government realized the helplessness of its situation, and applied to the United States Government for American intervention; and President Palma announced his irrevocable intention to resign his office in order to save his country from complete anarchy. The American State Department did all in its power to discourage the request, but the pleas of the Cuban government continued. On September 14, 1906, President Roosevelt sent an official letter to Señor Quesada, the Cuban Minister to Washington, in which he described the terrible disaster imminent in Cuba and the evils of anarchy into which civil war and revolutionary disturbances would assuredly throw her, and pointed out that the only way in which Cuban independence could be endangered was for the Cuban people to show their inability to continue in their path of peaceable and orderly progress, and that our intervention in Cuban affairs would come only if Cuba herself showed that she had fallen into the insurrectionary habit. He solemnly adjured all Cuban patriots to band together to sink all differences and personal ambitions, and to rescue the Island from the anarchy of civil war. He said that, under the treaty with Cuba, as President of the United States he had a duty in the matter which he could not shirk; that the 3rd article of the treaty explicitly conferred upon the United States the right to intervene for the maintenance in Cuba of a government adequate for the protection of life, property, and individual liberty; that the treaty conferring the right was the supreme law of the land and furnished him with the right and means of fulfilling the obligation he was under to protect American interests; that his information showed that the social bonds throughout the Island had been so relaxed that life, property, and individual liberty were no longer safe; and that, in his judgment, it was imperative for the sake of Cuba that there should be immediate cessation of hostilities and some arrangement which would secure permanent pacification of the Island. He closed the letter by announcing that he would send to Habana the Secretary of War, Mr. Taft, and the Assistant Secretary of State, Mr. Bacon, as special representatives of the American government, to render all possible aid toward securing peace.

### **The Peace Commission.**

Secretaries Taft and Bacon arrived in Habana September 19, 1906. The task confronting them was extremely serious. Though there was no doubt that the American naval forces assembling in Habana harbor could in a short time disperse any large bodies of insurgents, it was quite evident that the employment of force would certainly give rise to guerilla warfare, which would have caused an immense destruction of property, and cost much blood and money to suppress.

The Peace Commission, constituted by Secretaries Taft and Bacon, gave hearing to prominent men of the Island, and had many conferences with the leaders of the different political parties, it received and considered suggestions for the settlement of the pending differences, and finally proposed a compromise which it made earnest efforts to have accepted. The compromise contemplated the resignations of the Vice-President, Senators, and Representatives, Governors, and Provisional Councilmen elected at the fraudulent elections of December 1905; the laying down of the arms of the insurgents; the constitution of a commission for the purpose of drafting laws most urgently needed; and the holding of elections under the provisions of the electoral law to be drafted by such commission. Their endeavors to have the plan accepted by all parties were without avail. The President insisted on resigning, all the cabinet officers resigned, and the President called a special session of Congress to submit his own resignation and that of the Vice-President. Pursuant to the call, Congress met September 28, received the resignations, and adjourned on the same day without electing a successor to the President. The country was thus left without a government, and President Palma



so informed the Peace Commission, and stated that it was necessary for him to turn over the national funds to some responsible person. Secretary Taft accordingly issued the following proclamation establishing the Provisional Government of Cuba:

"To the People of Cuba:

"The failure of Congress to act on the irrevocable resignation of the President of the Republic of Cuba, or to elect a successor, leaves this country without a government at a time when great disorder prevails, and requires that pursuant to a request of President Palma, the necessary steps be taken in the name and by the authority of the President of the United States to restore order, protect life and property in the Island of Cuba and islands and keys adjacent thereto and for this purpose to establish therein a provisional government.

"The Provisional Government hereby established by direction and in the name of the President of the United States will be maintained only long enough to restore order and peace and public confidence, and then to hold such elections as may be necessary to determine those persons upon whom the permanent government of the Republic should be devolved.

"Insofar as is consistent with the nature of a provisional government established under authority of the United States, this will be a Cuban government conforming, as far as may be, to the Constitution of Cuba. The Cuban flag will be hoisted as usual over the government buildings of the Island. All the executive departments and the provisional and municipal governments, including that of the City of Habana, will continue to be administered as under the Cuban Republic. The courts will continue to administer justice, and all laws not in their nature inapplicable by reason of the temporary and emergent character of the Government will be in force.

"President Roosevelt has been most anxious to bring about peace under the constitutional government of Cuba, and has made every endeavor to avoid the present step. Longer delay, however, would be dangerous.

"In view of the resignation of the Cabinet, until further notice the heads of all departments of the Central Government will report to me for instructions, including Major-General Alejandro Rodriguez, in command of the Rural Guard and other regular Government forces, and General Carlos Roloff, Treasurer of Cuba.

"Until further notice, the Civil Governors and Alcaldes will also report to me for instructions.

"I ask all citizens and residents of Cuba to assist in the work of restoring order, tranquillity and public confidence.

"(Signed)

"WM. H. TAFT,

"Secretary of War of the United States,

"Provisional Governor of Cuba".

The general public satisfaction with this action is apparent from the fact that, though the government and the insurgents had thousands of men under arms, this simple decree was sufficient to establish the provisional administration, the only American force landed being a small squad of marines to protect the Treasury. The important and delicate task of the disarmament of the insurgent forces and of the militia was then successfully carried into effect by commissions consisting of American officers and prominent Cubans; and a general amnesty was issued. The general attitude of the people of Habana toward the action of the Peace Commission was made evident when Secretaries Taft and Bacon embarked for the United States on October 13, 1906. The people of Habana forgot their political differences, and taking thought of the fact that the horrors of civil war had been averted, all parties joined in a demonstration of gratitude and praise for the work that had been accomplished. The shore of the bay was lined with thousands of cheering people, all available water craft was pressed into service to escort the ships to the mouth of the harbor, the forts exchanged salutes with the vessels, and amid cheers and all possible display of goodwill the Peace Commission left Cuba. The character and extent of the service of Secretaries Taft and Bacon, and the appreciation thereof in Cuba, are indicated in the resolution adopted by a mass meeting of the American residents of Habana, as follows:

"Gentlemen:

"The American residents of Cuba, temporarily organized for the purpose of making known to you their situation and necessities in connection with the recent disturbances, desire to express to you their high appreciation of the great services your wise and prudent measures have secured to them and to all the people of Cuba.

"The results you have accomplished are greater than could have reasonably been hoped for at the time of your arrival. Nearly thirty thousand armed men, moved by the most intense and bitter passions, were then arrayed against the armed forces of the government and a disastrous conflict was imminent, in which enormous loss of life and property would have been inevitable. It scarcely seemed possible that these angry elements of discord and strife could be brought into peaceful and orderly citizenship

without bringing into active service the military power at your command to compel a cessation of the struggle for supremacy between the contending forces. But in less than one month the wise and sagacious methods you pursued and the skill and adroitness with which you approached the difficult task committed to your charge have brought peace and quiet to Cuba. Warlike conditions have vanished, with no immediate probability of their resumption. The armed forces have surrendered their arms and most of them are already in their fields and shops engaged in peaceful industry.

"Not the least satisfactory of the considerations involved is the fact that in the settlement of the turbulent conditions that have prevailed, you have caused but little irritation or resentment, and have secured from the Cuban people increased respect and regard for the United States, and greater confidence and trust in the goodwill and wishes of the American people for the people of Cuba and their future welfare.

"We do not believe that so successful and speedy an achievement under conditions so difficult and dangerous has any parallel, and the thanks and gratitude of the people of Cuba, as well as of the great people you represent, are due to you for these inestimable services.

"Wishing you a safe return to the United States and the enjoyment of higher honors in the future, we are,

Very sincerely yours,

"S. S. HARVEY,

"H. E. HAVENS,

"WM. HUGHES,

"H. W. BAKER,

"DR. C. CLIFFORD RYDER,

"ALFRED LISCOMB,

"W. ROBERTS,

"WM. B. HINE,

"J. E. BARLOW,

"CHAS. HASBROOK,

"Committee."

Upon Secretary Taft's leaving the office of Provisional Governor, President Roosevelt appointed in his place the Hon. Charles E. Magoon, who had shortly before retired from the position of Governor of the Canal Zone and the American Minister to Panama, in which post he had successfully carried out the difficult task of organizing the Canal Zone Government, and had established friendly relations with the Republic of Panama. To assist him, officers of the United States Army were appointed advisers to the acting secretaries of the Cuban executive departments.

#### Governor Magoon's Administration.

Governor Magoon's administration has been one the benefits of which will endure for generations in Cuba. Its most lasting monument and the most grateful to the poor farmer of the country will be the network of roads constructed under American supervision. Cuba is dependent upon its agriculture for the production of wealth, and has been subjected to great economic waste by reason of lack and cost of inland transportation. The products of Cuba are hauled to market over trails that are barely passable during the dry season and absolutely impassable during the rainy season. In many localities it is impossible to transport the products in wagons or carts and necessary to pack them on horses or mules. Where carts can be used, it is necessary to employ from four to ten oxen, horses or mules, where two would be sufficient if good roads existed. Days are spent in hauling a load to market where hours would be sufficient if the roads were good. Realizing the necessities of the situation, the provisional government has given its best efforts to supplying the remedy. A comprehensive plan of road improvement was adopted; and in all parts of the Island trunk roads and local roads have been constructed and are now under construction, to the amazement and delight of the agriculturist, who has never seen his needs given such attention. On September 29, 1906, when the provisional government began, there were but 366 miles of macadamized highway in Cuba, many of which had been constructed under the American military government. On May 1, 1908, the mileage had been increased by the provisional administration to 573 miles and there were 457 miles of road under construction, most of which will be completed by the end of the current year.

Other public works have been provided in all parts of the Island. Harbors have been dredged, lighthouses built, hospitals, asylums, courthouses and other public buildings erected and repaired, bridges provided, and waterworks furnished the prin-



icipal towns. All these important works, as well as the road-work, have been paid for out of current funds.

Careful attention has also been given to the legislative needs of the Island. It was a commentary on the necessity for legislation that nearly all the bases of settlement between the warring factions, proposed during the period of deliberation which led up to the establishment of the provisional government, incorporated more or less urgent demands for legislation, and particularly for legislation under the constitution affecting municipal and judicial administration. To meet this demand for legislative action, and in pursuance of the plan of the Peace Commission, an advisory commission was created, composed of twelve members, nine of whom were prominent Cubans, all political parties being represented, and three Americans, who had had experience with Spanish law. The commission on organizing was charged with the drafting of five laws: An electoral law, a municipal law, a provincial law, a judiciary law, and a civil service law. To these have since been added a law organizing the armed forces, a military code, a law organizing the national executive departments, a general telephone law, a notarial law, and the revision of portions of the mortgage law. Numerous minor decrees have also been reported by the commission, and the lack of adequate legislation at present obliged the commission to draft a municipal accounting law and a municipal tax law in connection with the organic municipal law. The work of the Advisory Law Commission is thus a work of organization of practically every fundamental branch of the Cuban Government. The law of the executive departments, together with the civil service law, will reorganize the executive power of the national government; the organic municipal law and the laws of municipal accounting and municipal taxation will afford to the municipalities a government in harmony with the constitution; the electoral law is applicable to offices national, provisional, and municipal; the judiciary law organizes the courts and provides for the independence of the judiciary; while the law of armed forces and the military code organize the military establishment of the Republic. Of these laws, the electoral law and the law of armed forces, as well as numerous minor decrees reported by the commission, have been promulgated by the Provisional Governor. Drafts of the provincial and municipal laws have also been reported and approved. In all of these cases the proposed laws have been printed and distributed for public criticism prior to promulgation. Most of the laws drafted by the commission will be promulgated by the Provisional Governor, and the remainder will be submitted for action to the Cuban Congress.

In addition, a commission has been convened, constituted by prominent Cuban judges and lawyers, for the revision of the harsh and antiquated penal code and the code of criminal procedure.

Much attention has been given to the matter of sanitation, which, in Cuba, is not only of vital importance to the health of the inhabitants but has also a direct bearing upon the development and commerce of the country, for vessels will not seek to enter a port of the Island if all other ports of the world are quarantined against Cuba. The matter is also one of serious moment to the people and the commerce of the Southern States of the United States. The dreaded yellow fever had been stamped out in Cuba during the American military government, but has reappeared. Indefatigable work on the part of the provisional administration has again suppressed it. In view of the special importance of sanitation in Cuba, a law has been promulgated which nationalizes the sanitary service of the Island, and provides a national board of sanitation charged with the responsibility of securing proper sanitation throughout the Island and invested with the authority necessary for obtaining that result.

Public order has been kept perfectly, and at no time for a century has the Island been as quiet and as free from marauding bands as under the American Provisional Administration. The presence in the Island of an American Army detachment, numbering about 5,000 men, and known as the Army of Cuban



**Pacification**, has assisted in great measure in renewing confidence. The rural guard, which had been used as a political agency, has been reorganized by American Army officers and restored to its original efficiency. For the purpose of enabling the new Cuban government to maintain itself, a decree has been issued providing for the organization of the armed forces. Under this decree the method of calling the militia into service is regulated, and provisions are made for the establishment of a permanent army, which is now being organized.

It fell to the provisional government to pay practically the entire cost of the uprising of 1906, as well as the debts incurred by the Cuban government, when it was struggling with the insurrectionists, as the damage caused by the revolutionary forces. Such payments have, up to the present time, amounted to over \$9,000,000. As a consequence of the revolution, about 15,000 claims for damages were filed by Cubans and aliens, the total amount claimed exceeding \$4,000,000. A commission of American officers and Cubans have investigated and reported on every claim, and recommended payments to the amount of \$1,390,088.39, all of which have been made, except in a few cases that are being reconsidered on appeal.

Many long pending questions, which had troubled the Cuban authorities for years, have also been settled. A question between the State and the Catholic Church, involving the purchase of property owned by the Church in Habana and used by the State, has been satisfactorily settled and the purchase carried out. A water famine in the outskirts of Habana has been remedied by the acquirement in behalf of the municipality and under excellent conditions of a water concession, on account of which the city and national government had been engaged in costly litigation for years, while the public suffered from lack of water. A decree has been issued to facilitate the demarcation of large unsurveyed estates held in common in the eastern part of the Island, the division of which has for a century been regarded as necessary for the public interests. Other decrees have served to clear up doubts arising in the interpretation of customs tariffs, and have simplified the manner of drafting manifests, as well as the customs regulations for the entry and clearance of vessels. Still other decrees have been promulgated for the settlement of minor difficulties which had arisen under the present laws.

A remarkable feature of the provisional administration has been the satisfaction and content with which its acts have been received by the Cuban people, and the cordiality existing between the American government officials and all political parties, as well as the commercial and industrial bodies of Cuba. This state of public sentiment is all the more gratifying in view of the previous bitterness between the political parties, and of the difficulties and embarrassments with which the provisional administration has had to contend by reason of long periods of drought, labor strikes, and business depression, which have affected the agricultural and commercial interests. All classes have perfect confidence in the American government, and realize that their welfare is the object of constant solicitude and effort.

#### **Preparation for Restoration of Cuban Government.**

In the meantime, the work of preparation for the return of the government to the Cubans has gone on as rapidly as circumstances would permit. Soon after the advisory commission began to consider the electoral law the opinion was expressed in the commission, as well as in the public press, that a census of the Island should be taken in order to secure a reliable basis for the electoral lists, and that the local elections be held before the national elections in order that they might serve as a test of the electoral law. Secretary Taft again visited Cuba in April, 1907, and among other matters which received his attention was that deciding upon the fate of the forthcoming elections. As a result of his conference with the national committees of the various political parties, and with other representative bodies, he announced that a census of the Island

should be taken in as short a time as was consistent with making it thorough, fair, and complete for electoral purposes, that the municipal and provincial elections would be held as soon as practicable after the termination of the census, that within six months after these local elections the national elections would be held, and that as soon as the president and senators were designated by the presidential and senatorial electoral colleges the government would be devolved upon the Cubans. On January 14th of this year, President Roosevelt, in transmitting to Congress the report of the Provisional Governor for 1906-07, ordered that the provisional administration end not later than February 1, 1909. In pursuance of the plan laid out by Secretary Taft, a careful census of the Island has been taken under the direction of an official of the United States Census Department. The election boards provided for by the new electoral law have been constituted, and it is expected to hold the local elections in July of this year, and the national election in the fall; whereupon, in compliance with President Roosevelt's order, the government of the Island will devolve upon the officials designated as a result of such election, not later than February 1, 1909.

The empire that shifted from the Mediterranean will in the lifetime of those now children bid fair to shift once more westward to the Pacific.—President Roosevelt at San Francisco, Cal., May 13, 1903.

The contention that we are not a nation with power to govern a conquered or purchased territory, robs us of a faculty most important for good to every sovereignty.—Hon. Wm. H. Taft, at Cleveland, Ohio.

It is no longer a question of expansion with us; we have expanded. If there is any question at all it is a question of contraction; and who is going to contract?—President McKinley at Iowa Falls, Iowa, Oct. 16, 1899.

It is a good lesson for nations and individuals to learn never to hit if it can be helped, and then never to hit softly. I think it is getting to be fairly understood that that is our foreign policy.—President Roosevelt at San Francisco, Cal., May 13, 1903.

The policy of expansion is what distinguishes the administration of McKinley and adds another to the list of patriotic victories of the Republican party. By this policy the United States has become a world power.—Hon. Wm. H. Taft, at Kansas City, Mo.

The construction of the canal is now an assured fact; but most certainly it is unwise to intrust the carrying out of so momentous a policy to those who have endeavored to defeat the whole undertaking.—President Roosevelt's speech accepting 1904 nomination.

The guns that thundered off Manila and Santiago left us echoes of glory, but they also left us a legacy of duty. If we drove out a mediaeval tyranny only to make room for savage anarchy, we had better not have begun the task at all.—President Roosevelt in *The Strenuous Life*, p. 11.

When we legislate for Alaska we are acting within the clearly granted authority of the Constitution, and when we legislate for the Philippines we are likewise within the scope and plain purpose of the Constitution.—Hon. C. W. Fairbanks, in U. S. Senate, February 22, 1902.

For years the commerce of the world has demanded an isthmian canal, and recent events give us the assurance that this vast undertaking will be accomplished at an early day under the protection of the American flag.—Hon. C. W. Fairbanks, at St. Paul, Minn., August 31, 1903.

We are the trustees and guardians of the whole Filipino people, and peculiarly of the ignorant masses, and our trust is not discharged until those masses are given education sufficient to know their civil rights and maintain them against a more powerful class and safely to exercise the political franchise.—Hon. Wm. H. Taft, in special report to the President.

One vital, dominating fact confronts the Democratic party which no oratory, which no eloquence, which no rhetoric can obscure: BRYAN'S NOMINATION MEANS TAFT'S ELECTION.—*New York World*.



## MERCHANT MARINE.

During the past twelve years of Republican control American ship-building has made steady growth in tonnage and improvement in design. The closing fiscal year of President Roosevelt's administration is the banner ship-building year in American history. Up to June 20, 1908, the output was 590,231 gross tons (the highest record in any earlier year was 583,450 gross tons), and the few remaining days of the fiscal year will bring the aggregate up to 600,000 tons. Of this large output, however, no vessels were built exclusively for the foreign trade. Were it not for the coasting trade policy, which reserves to American vessels exclusively the transportation of freight and passengers between American ports, doubtless domestic shipyards would have almost entirely disappeared from our seaboard, and even our war vessels would have been built abroad, or if at home, at an enormous increase in cost. Every industrial factor and every act of Congress which tends to promote shipbuilding for mercantile purposes at the same time renders the United States more capable of producing its own war vessels, and such legislation accordingly contributes to national defense. For this reason, if for no other, the Republican policy of promoting ship-building at home is entitled to the support of every patriotic citizen.

The following table shows the total merchant tonnage (gross register tons) under the American flag, divided according to the trade in which engaged, on June 30 of each year named, and also the gain or loss for each period of four fiscal years, covering the four latest national administrations:

### *Total American merchant shipping.*

On June 30—	Foreign trade.	Coasting trade.	Sea fisheries.	Total.
1892 .....	977,624	3,700,773	86,524	4,764,921
1896 .....	829,833	3,790,296	83,751	4,703,880
1900 .....	816,795	4,286,516	61,528	5,164,839
1904 .....	888,628	5,335,161	67,713	6,291,535
1907 .....	861,416	6,010,638	66,670	6,938,794

### *Gain or loss in four years.*

	Foreign trade.	Coasting trade.	Sea fisheries.	Total.
1893-1896 .....	-147,791	89,523	- 2,773	-61,041
1897-1900 .....	- 13,038	496,220	-22,223	460,959
1901-1904 .....	71,833	1,048,648	6,215	1,236,696
1905-1907* .....	- 27,182	675,494	-1,073	*647,299

\*Gain or loss in three years. The returns for June 30, 1908, not yet completed, will show a total increase during the four years of over 1,100,000 gross tons.

American tonnage built during recent periods of four fiscal years, beginning June 30th:

	Gross register tons.
1893-1896, inclusive .....	681,532
1897-1900, inclusive .....	1,106,518
1901-1904, inclusive .....	1,767,014
1905-1908, inclusive .....	1,811,624

In 1896 the production of steel vessels in the United States amounted to only 96,331 gross tons; by 1908 it had increased to 425,000 gross tons. Two-thirds of the merchant tonnage of all



types under the American flag on the sea, on the lakes and the rivers of the United States were built during the administrations of Presidents McKinley and Roosevelt. In 1906 115,500 men employed on American steam vessels, valued at \$386,773,000, were paid \$61,265,000 in wages.

In 1905 50,750 workmen in American shipyards were paid \$29,241,000 in wages.

### Legislation for Seamen.

The Republican Party in control of Congress and the executive departments has steadily endeavored to improve the conditions of American labor at sea as well as American labor on the land. At the late session Congress, by the act of April 2, 1908, for the first time provided for Government determination of the numbers of the crew of every steam vessel, passenger or freight, thereby providing also for the fixing of hours of labor. It also passed an act for the regulation of seagoing barges, the most dangerous form of navigation on our coasts, and thus both gave better protection to the crews on such vessels and at the same time took steps to reduce a serious menace to navigation along our coasts.

More rigid inspections at home and abroad of the seaworthiness of vessels have been prescribed by Congress and the Administration. As long ago as 1898 a compulsory scale of provisions for seamen on American vessels was fixed by law very much superior in the quantity and quality of the food furnished to seamen on other vessels. Indeed, the standard of living on American ships thus provided has already led other nations to legislate in the same direction, thus improving the conditions of labor at sea generally. The same act of December 21, 1898, provided for the prompter payment of wages, already much higher on American than on foreign ships, and for the return of wrecked, sick or injured American seamen from abroad, or from Alaska, Porto Rico, Hawaii, the Philippines and the Canal Zone, at the expense of the Federal Government. Forecastle quarters on American ships are now equal to any on foreign ships and superior to most. Warm rooms are provided in cold weather.

The penalty of imprisonment for the seaman's breach of a civil contract has been abolished and all forms of corporal punishment prohibited by heavy penalties. Prompt trials of cases in which a seaman is a party are now required by law.

Legislative enactment and administrative effort have been directed successfully against the crimping system by which seamen have been cheated of their wages. Abuses under the system of allotment of wages have been reduced to a minimum, and "shanghaiing" on American vessels has practically ceased since the acts of 1906 and 1907. Under these several acts the Federal courts have inflicted heavy penalties on those engaged in defrauding seamen. Of the act of 1898 the Supreme Court has said:

"The story of the wrongs done to sailors in the larger ports, not merely of this nation but of the world, is an oft-told tale, and many have been the efforts to protect them against such wrongs. One of the most common means of doing these wrongs is the advancement of wages. Bad men lure them into haunts of vice, advance a little money to continue their dissipation, and having thus acquired a partial control and by liquor dulled their faculties, place them on board the vessel just ready to sail and most ready to return the advances. When once on shipboard and the ship at sea, the sailor is powerless and no relief is availing. It was in order to stop this evil, to protect the sailor, and not to restrict him of his liberty, that this statute was passed. And while in some cases it may operate harshly, no one can doubt that the best interests of the seaman as a class are preserved by such legislation."

The wages of seamen on American vessels are much higher than on foreign vessels. Thus the average monthly wages paid at Bremen, the great German seaport, are \$16, and at Liverpool \$18 for seamen and \$20 for firemen. At New York seamen on American vessels are paid \$25 and firemen \$35 to \$40. American engineers and mates are paid double the corresponding British wages. The American S. S. "St. Louis" (11,629 gross tons) has a monthly pay roll of \$11,300 for 380 men; the British S. S. "Oceanic" (17,274 gross tons) pays \$9,891 to 427 men, and the German S. S. "Kaiser Wilhelm der Grosse" (14,349 gross tons)

pays monthly only \$7,715 to 500 men. Thus indirectly the American system, which contributes toward higher wages in American industries on shore, causes also higher wages on ship board.

### **The Shipping Question.**

In volume, merchant shipping under the American flag is surpassed only by merchant shipping under the British flag. In its types and uses, however, our shipping differs radically from the shipping of other maritime nations. It is almost wholly devoted to domestic transportation, and relatively is far below our strength as a naval power.

By comparison with our rank in any other of the great divisions of industrial and commercial endeavor, the position of the United States as an ocean-carrying power is insignificant. It is humble by comparison with the commercial sea power of other leading nations, with which in nearly every other respect we are classed. Even in the discharge of ordinary functions of government we have put ourselves under the protection of foreign flags. Over a year ago it became necessary to dispatch a small force of American troops to Cuba; they were sent under the British flag. Not one American steamship of any kind now runs to Brazil, or Argentina, or Chile, or Peru. An American mail service to those southern countries is absolutely nonexistent. Not one American steamship now runs from either our Atlantic or our Pacific coast to Australasia.

In the performance of its plain duties the Federal Government has to resort to foreign agencies and foreign protection. There is not to-day another first-class power in a similar position. There is not another which, if it found itself in that position, would allow such conditions to continue longer than until by sufficient expenditure they could be corrected in the shortest possible time. Such expenditures would be as clearly for public purposes as appropriations for the Army, the Navy, the Panama Canal, or the postal system.

From the messages of their Presidents and the reports of their heads of Departments for many years past the American people have become familiar with the trifling share of American vessels in our own foreign carrying trade and with the fact that an American steamship is almost never seen in the world's seaports outside of the Caribbean and the Gulf of Mexico. Last year, for example, only 10.6 per cent. of our combined exports and imports were carried in American ships; our vessels registered for foreign trade aggregated only 871,146 gross tons, a fleet equaled in tonnage and greatly exceeded in efficiency by the fleet of one foreign shipping corporation, while any one of several foreign corporations owns more ocean-going steam tonnage than the entire amount of such tonnage registered under the American flag.

### **McKinley, Roosevelt, and Taft on Shipping.**

The best means of restoring the American merchant marine to its former prominence in foreign trade has been the subject of careful investigation by the leading men of the Republican party during the past twelve years. In his annual message of December 3, 1900, President McKinley said:

Foreign ships should carry the least, not the greatest part of American trade. The remarkable growth of the steel industries, the progress of shipbuilding for the domestic trade, and our steadily maintained expenditures for the Navy have created an opportunity to place the United States in the first rank of commercial maritime powers.

Besides realizing a proper national aspiration this will mean the establishment and a healthy growth along all our coasts of a distinctive national industry, expanding the field for the profitable employment of labor and capital. It will increase the transportation facilities and reduce freight charges on the vast volume of products brought from the interior to the seaboard for export, and will strengthen an arm of the national defense upon which the founders of the Government and their successors have relied.

Every constructive measure on the subject brought before Congress has been Republican in origin and principle, and has encountered unbroken Democratic obstruction, save in one instance when a Democratic Senator and two Democratic Representatives patriotically joined with the majority. It is thus a



moral certainty that, as in most other matters, no constructive legislation to advance our maritime interests is to be expected from a Democratic administration or a Democratic House of Representatives.

In his first annual report as Secretary of Commerce and Labor, in 1903, Secretary Cortelyou recommended the appointment of a Merchant Marine Commission, and President Roosevelt in his message to Congress the same year strongly urged the appointment of such a Commission. Accordingly, Congress, in the early part of 1904, created a Merchant Marine Commission of five Senators and five Representatives, who made an exhaustive investigation into shipping. As a result of this investigation after favorable action in the Senate the Republican majority in the House also passed on March 1, 1907, a bill providing for increased American ocean mail facilities which incidentally would have benefited American shipbuilding with its almost infinite subsidiary interests, would have improved our means of ocean transportation, and would have developed a merchant fleet auxiliary to the Navy. By the usual Democratic tactics this bill was filibustered to death on March 3 and 4, 1907, in the Senate by two Democratic Senators who had been recently rejected by their own States.

At the session of Congress just closed the Senate passed a bill to improve our mail service with South America, the Philippines, Asia and Australia in exact accord with the recommendation and argument in President Roosevelt's message of December 3, 1907. That bill is now pending in the House Committee on Post-Offices and Post-Roads and will be considered at the next session of Congress. The bill was also passed by the Senate as part of the Post-Office Appropriation bill, but in this shape lacked eight votes of approval by the House. President Roosevelt's recommendation and argument of December 3, 1907, follows:

The time has come, in my judgment, to set to work seriously to make our ocean mail service correspond more closely with our recent commercial and political development. A beginning was made by the ocean mail act of March 31, 1891, but even at that time the act was known to be inadequate in various particulars. Since that time events have moved rapidly in our history. We have acquired Hawaii, the Philippines, and lesser islands in the Pacific. We are steadily prosecuting the great work of uniting at the Isthmus the waters of the Atlantic and the Pacific. To a greater extent than seemed probable even a dozen years ago, we may look to an American future on the sea worthy of the traditions of the past. As the first step in that direction, and the step most feasible at the present time, I recommend the extension of the ocean mail act of 1891. That act has stood for some years free from successful criticism of its principle and purpose. It was based on theories of the obligations of a great maritime nation, undisputed in our own land and followed by other nations since the beginning of steam navigation. Briefly those theories are, that it is the duty of a first-class power so far as practicable, to carry its ocean mails under its own flag; that the fast ocean steamships and their crews, required for such mail service, are valuable auxiliaries to the sea power of a nation. Furthermore, the construction of such steamships insures the maintenance in an efficient condition of the shipyards in which our battleships must be built.

The expenditure of public money for the performance of such necessary functions of government is certainly warranted, nor is it necessary to dwell upon the incidental benefits of our foreign commerce, to the shipbuilding industry, and to ship owning and navigation which will accompany the discharge of these urgent public duties, though they, too, should have weight.

In an address before the Chamber of Commerce of Trenton, New Jersey, on March 23, 1908, Secretary Taft said:

I cannot understand any difference in principle between government assistance to our merchant marine and our protective tariff system, our system of improvement of internal waterways, or any other method by which the general welfare is promoted through the government's assistance of particular industries, in which all may engage. Let us hope that the mail subsidy bill will lead to the establishment of direct lines between New York and South America on the one hand, and between the Pacific Coast, Japan, China and the Philippines on the other, and that it may be the means of pointing out how a wider system of maintenance of the marine may be inaugurated in the public interest.

We are expending from \$200,000,000 to \$250,000,000 to build a canal across the Isthmus of Panama. Can it be that this canal is to be built solely for vessels of other countries than the United States? Is it true that the flag of the United States will fly over but few merchantmen passing through this great conquest of nature? The work on the canal is going on. The dirt is flying at the rate now of upward of two and one-half million cubic yards a month. We have every hope that six years from next July our battle fleet may be able to ascend through the locks to the new-made lake and to descend on the other side through the locks to the sea. Ought we not in the six years which lie between the present and the completion of the canal to adopt a policy which shall give us a merchant marine to justify our expending this enormous sum of money on commercial as well as naval and war strategic grounds?



## Trade with South America.

Secretary Root, after his visit to South America and Mexico, which opened a new era of Pan-American comity, bringing us in closer touch with our sister American Republics, said at the Trans-Mississippi Commercial Congress at Kansas City, on November 20, 1906:

It is absolutely essential that the means of communication between North and South America should be improved and increased.

This underlies all other considerations and it applies both to the mail, the passenger, and the freight services. Between all the principal South American ports and England, Germany, France, Spain, Italy, lines of swift and commodious steamers ply regularly. There are five subsidized first-class mail and passenger lines plying between Buenos Ayres and Europe; there is no such line between Buenos Ayres and the United States. No American steamships run to any South American port beyond the Caribbean.

The mails between South America and Europe are swift, regular, and certain; between South America and the United States they are slow, irregular, and uncertain. Six weeks is not an uncommon time for a letter to take between Buenos Ayres or Valparaiso and New York. The merchant who wishes to order American goods cannot know when his order will be received or when it will be filled. The freight charges between the South American cities and American cities are generally and substantially higher than between the same cities and Europe. At many points the delivery of freight is uncertain and its condition upon arrival doubtful. The passenger accommodations are such as to make a journey to the United States a trial to be endured, and a journey to Europe a pleasure to be enjoyed. The best way to travel between the United States and both the west and the east coast of South America is to go by way of Europe, crossing the Atlantic twice. It is impossible that trade should prosper or intercourse increase or mutual knowledge grow to any great degree under such circumstances.

We are a nation of maritime traditions and facility; we are a nation of constructive capacity, competent to build ships; we are eminent if not pre-eminent, in the construction of machinery; we have abundant capital seeking investment; we have courage and enterprise shrinking from no competition in any field which we choose to enter. Why, then, have we retired from this field in which we were once conspicuously successful?

I think the answer is twofold:

1. The higher wages and the greater cost of maintenance of American officers and crews make it impossible to compete on equal terms with foreign ships. The scale of living and the scale of pay of American sailors are fixed by the standard of wages and of living in the United States, and those are maintained at a high level by the protective tariff. The moment the American passes the limits of his country and engages in ocean transportation he comes into competition with the lower foreign scale of wages and living.

2. The principal maritime nations of the world, anxious to develop their trade, to promote their shipbuilding industry, to have at hand transports and auxiliary cruisers in case of war, are fostering their steamship lines by the payment of subsidies. England is paying to her steamship lines between six and seven million dollars a year. It is estimated that since 1840 she has paid to them between two hundred and fifty and three hundred millions. The enormous development of her commerce, her preponderant share of the carrying trade of the world, and her shipyards crowded with construction orders from every part of the earth indicate the success of her policy.

Against these advantages to his competitor the American shipowner has to contend; and it is manifest that the subsidized ship can afford to carry freight at cost for a long period to drive him out of business.

Plainly these disadvantages created by governmental action can be neutralized only by governmental action, and should be neutralized by such action.

What action ought our Government take for the accomplishment of this just purpose? Three kinds of action have been advocated:

1. A law providing for free ships—that is, permitting Americans to buy ships in other countries and bring them under the American flag.

2. It has been proposed to establish a discriminating tariff duty in favor of goods imported in American ships—that is to say, to impose higher duties upon goods imported in foreign ships than are imposed on goods imported in American ships. We tried that once many years ago and have abandoned it. In its place we have entered into treaties of commerce and navigation with the principal countries of the world, expressly agreeing that no such discrimination shall be made between their vessels and ours. To sweep away all those treaties and enter upon a war of commercial retaliation and reprisal for the sake of accomplishing indirectly what can be done directly should not be seriously considered.

3. There remains the third and obvious method—of neutralizing the artificial disadvantages imposed upon American shipping through the action of our own Government and foreign governments by an equivalent advantage in the form of subsidy or subvention. In my opinion this is what should be done; it is the sensible and fair thing to do. It is what must be done if we would have a revival of our shipping and the desired development of our foreign trade. We cannot repeal the protective tariff; no political party dreams of repealing it; we do not wish to lower the standard of American living or American wages. We should give back to the shipowner what we take away from him for the purpose of maintaining that standard; and unless we do give it back we shall continue to go without ships.

Such subventions should not be gifts. They would be at once compensation for injuries inflicted upon American shipping by American laws and the consideration for benefits received by the whole American people—not the shippers or the shipbuilders or the sailors alone—but the manufacturer, every miner, every farmer, every merchant whose prosperity depends upon a market for his products.

**Foreign Steamship Trusts.**

The trust question has been uppermost in the minds of the American people during the past few years. An American trust can be dealt with through the instrumentality of American laws, but a foreign trust is beyond our reach. That the commerce of South America is dominated by a foreign steamship trust is well known—a trust that can give rebates at pleasure, and that can and does lower and increase prices according to circumstances. So far as steamships are concerned this important American trade is now, and for several years has been, monopolized by a foreign shipping trust or combination, whose weapons are rebates, discriminations, and boycotting, and whose policies are dictated from Liverpool and Hamburg.

Mr. Anderson, the present consul-general at Rio de Janeiro, says of the foreign steamship combination:

Merchants complain that the high freight rates obtaining on goods from the United States to Brazil generally continue to act as a deterrent to trade in general. The conference rates (the conference is the European steamship trust) on goods from the United States to this part of South America are nearly twice as high as freight rates from Asiatic ports to the United States.

Ambassador Griscom, at Rio de Janeiro, said in a report of October 1, 1906:

The English company of Lamport & Holt have been running a monthly service (between Rio and New York) with a practical monopoly, and without competition the freights have been prohibitive. It is hoped that we are entering upon a new era, more favorable to merchants who may desire to reach out for trade with Brazil. The crying need of our relations with Brazil is better steamship communication. Inquiry among our leading financiers and merchants indicates that encouragement by our National Government in the form of a small postal or other subvention would quickly bring about the establishment of a good line of American steamers between New York and Rio. Given a few facilities our trade with Brazil must inevitably go ahead with leaps and bounds.

Consul-General Anderson has this to say on the subject:

High freight rates shut American exporters out of markets which otherwise they might have. Low freight rates, for instance, would enable American millers to ship American flour to ports in Brazil far south of their present limit. Freight rates from New York to Brazil similar to those obtaining between New York and the Far East would mean largely increased sales of American flour. What is true of flour is true of other things. The rebate system adopted by the shipping combine also works directly and materially against small shippers, among the latter being most American exporters selling to the Brazilian trade.

One or more strong American steamship lines, sufficiently compensated by the Government for the carriage of our mails, will effectually thwart the schemes of this now all-powerful foreign steamship trust, and secure competition in the trade with South America.

**Pending Republican Propositions.**

Briefly stated, the Republican shipping project now before Congress is based on these considerations:

- (a) Profits of ocean mail service to be devoted to the improvement of that service.
- (b) Improvements to be made where most needed.
- (c) Expenses for the whole ocean mail service not to exceed receipts in any one year.
- (d) American mail steamships to be employed if possible in extending and improving the service.
- (e) Export trade to be extended.
- (f) Facilities for buyers and sellers to make the voyage comfortably between the United States, South America, and Australia.
- (g) Shipbuilding to be encouraged.
- (h) Auxiliary naval strength to be increased.

With an initial cost of less than \$1,500,000 the project contemplates with 27 fast steamships (involving an expenditure by shipowners in American shipyards of over \$30,000,000 for American labor and its products) a fortnightly service to Rio de Janeiro and to Buenos Ayres; to Manila over two routes across the Pacific, one via Hawaii, one direct, and a service once in three weeks from the Pacific coast to Australasia, the approximate length of each route outward and the compensation to be paid for, twenty-six voyages in a year (or to Australasia eighteen voyages, as follows:



	Nauti- cal miles.	Yearly compen- sation.	Number of ships.
Atlantic or Gulf coast to Rio de Janeiro-----	5,000	\$598,000	5
Atlantic or Gulf coast to Buenos Ayres-----	6,000	717,600	6
Pacific coast via Hawaii to Japan, China, and the Philippines-----	7,800	932,880	6
Pacific coast direct to Japan, China, and the Philippines-----	6,500	777,400	6
Pacific coast via Hawaii to Australasia-----	7,300	604,440	4
Total-----		3,630,320	27

This estimate is for the maximum amounts which could be paid in any instance. The actual bids of steamship companies might be for smaller amounts and would be sure to be for smaller amounts if there were several bidders. Moreover, the Postmaster-General in his discretion might decline to pay more than \$3 per mile if he believed that this rate was sufficient compensation to secure a service.

#### Foreign Subsidies.

Other nations for military, mail, and commercial purposes deem it important to promote their national shipping in foreign trade by national assistance. The annual grants for these purposes at the present time by the principal nations are substantially as follows:

#### Subsidies to shipping.

Country.	Mail.	General.	Total.
Austria-Hungary -----	\$1,288,201	\$656,270	\$1,944,471
Denmark -----	82,455		82,455
France -----	5,019,703	3,623,720	8,643,423
Germany -----	1,825,651		1,825,651
Great Britain -----	5,204,068	1,312,200	6,516,268
Italy -----	1,757,812	1,061,639	2,819,451
Japan -----	3,417,042	2,718,465	6,135,507
Netherlands -----	367,468		367,468
Norway -----	48,338	116,018	137,556
Portugal -----	63,300		63,300
Russia -----		1,595,701	1,595,701
Spain -----	1,629,927		1,629,927
Sweden -----	81,849		81,849
Total-----	20,785,814	11,084,013	31,869,827

#### Subsidies and payments for the ocean mail service of Great Britain and the United States from 1870 to 1907.

[Compiled from official sources.]

Year.	Great Britain.	United States.		
		Mail payments.		Total amount paid.
	British mail and admiralty subsidies.	To American steamers.	To foreign steamers.	
1870 -----	\$6,107,761	\$791,389	\$315,944	\$1,115,333
1875 -----	4,860,000	740,361	236,283	976,644
1880 -----	3,873,136	38,780	161,029	199,809
1885 -----	3,612,065	49,048	282,855	331,903
1886 -----	3,662,805	43,319	286,319	329,391
1887 -----	3,625,915	76,727	335,946	412,673
1888 -----	3,490,864	86,890	376,528	463,418
1889 -----	3,184,425	109,828	505,573	515,401
1890 -----	3,827,260	120,170	420,507	510,677
1891 -----	4,142,139	147,561	443,201	590,765
1892 -----	4,277,972	259,788	478,748.95	738,537.51
1893 -----	4,328,501	646,031	495,630.87	1,141,662.69
1894 -----	4,442,361	711,443	461,956.87	1,173,400.80
1895 -----	4,574,805	633,035	429,856.67	1,062,892.56
1896 -----	4,450,317	1,027,735	394,636.60	1,422,372.50
1897 -----	4,516,583	1,288,674	392,670.18	1,681,344.10
1898 -----	4,716,397	1,038,141	437,882.06	1,478,023.21
1899 -----	4,801,028	998,211	487,038.24	1,485,250.09
1900 -----	4,743,000	1,269,660	518,954	1,788,614
1901 -----	4,371,000	1,250,381	575,666	1,826,047
1902 -----	4,017,000	1,525,313	556,145	2,081,508
1903 -----	5,536,612	1,611,794	597,940	2,209,735
1904 -----	5,170,323.59	1,587,108.75	850,268.15	2,437,376.90
1905 -----	5,095,076.21	1,651,867.81	913,413.07	2,565,280.88
1906 -----	4,542,978.75	1,767,294.88	1,028,603.15	2,795,898.03
1907 -----	4,475,067.64	1,564,372.83	1,204,424.28	2,768,796.11



The figures above for British mail and admiralty subsidies for the year 1907 do not include the new admiralty subsidy of \$729,000 a year which is now being paid to the Cunard Company under a 20-year contract by which the British Government advanced \$13,000,000 to the company at 2¾ per cent interest, in fact giving to that company the two finest ships ever constructed in England, the "Lusitania" and the "Mauretania," if the company would operate them to carry the mails and hold them in reserve for military purposes, each steamer capable of carrying 10,000 soldiers armed and equipped.

Neither do these figures include the sum of approximately \$1,250,000 which England has spent annually for some years upon picked sailors on her merchant vessels to train them for service on her battleships should occasion arise and to retain them for the purpose.

*Value of foreign carrying trade of the United States in American and foreign vessels, etc.—Total United States imports and Exports.*

[From the Statistical Abstract.]

Year ending June 30.	By sea.				By land vehicles.	Total by land and sea.
	In American vessels.	In foreign vessels.	Total.	Per cent in American vessels.		
	Dollars.	Dollars.	Dollars.			
1860..	507,247,757	255,040,793	762,288,550	66.5	-----	762,288,550
1861..	381,516,788	203,478,278	584,995,066	65.2	-----	584,995,066
1862..	217,695,418	218,015,296	435,710,714	50.	-----	435,710,714
1863..	241,872,471	343,056,031	584,928,502	41.4	-----	584,928,502
1864..	181,061,486	485,793,548	669,855,034	27.5	-----	669,855,034
1865..	167,402,872	437,010,124	604,412,996	27.7	-----	604,412,996
1866..	325,711,861	685,226,691	1,010,938,552	32.2	-----	1,010,938,552
1867..	297,834,904	581,330,403	879,165,307	33.9	-----	879,165,307
1868..	297,981,573	550,381,074	848,527,647	35.1	-----	848,527,647
1869..	289,956,772	586,492,012	876,448,784	33.2	-----	876,448,784
1870..	352,969,401	638,927,488	991,896,889	35.6	-----	991,896,889
1871..	353,664,172	755,822,576	1,109,486,748	31.9	22,985,510	1,132,472,258
1872..	345,331,101	839,246,362	1,184,677,463	29.2	27,650,770	1,212,328,233
1873..	316,306,592	966,722,651	1,313,029,243	26.4	27,869,978	1,340,899,221
1874..	350,451,994	939,206,103	1,289,658,100	27.2	23,022,540	1,312,680,640
1875..	314,257,792	884,788,517	1,199,046,309	26.2	20,388,235	1,219,434,544
1876..	311,076,171	813,354,987	1,124,431,158	27.7	18,473,154	1,142,904,312
1877..	316,660,281	859,920,536	1,176,580,817	26.9	17,464,810	1,194,045,627
1878..	313,050,906	876,991,129	1,190,042,035	26.3	20,477,364	1,210,519,399
1879..	272,015,692	911,269,232	1,183,284,924	23.	19,423,685	1,202,708,609
1880..	258,346,577	1,224,265,434	1,482,612,011	17.4	20,981,393	1,503,593,404
1881..	250,586,470	1,269,002,983	1,519,589,453	16.5	25,452,521	1,545,041,974
1882..	227,229,745	1,212,978,769	1,440,208,514	15.8	34,973,317	1,475,181,831
1883..	240,420,500	1,258,506,924	1,498,927,924	16.	48,092,392	1,547,020,316
1884..	233,699,035	1,127,798,199	1,361,497,234	17.2	46,714,068	1,408,211,302
1885..	194,865,743	1,079,518,566	1,274,384,309	15.3	45,332,757	1,319,717,084
1886..	197,349,503	1,073,911,113	1,271,260,616	15.5	43,700,350	1,314,960,966
1887..	194,356,746	1,165,194,508	1,359,551,254	14.3	48,951,725	1,408,502,979
1888..	190,857,473	1,174,697,321	1,365,554,794	14.	54,356,827	1,419,911,621
1889..	203,805,108	1,217,063,541	1,420,868,649	14.3	66,664,378	1,487,533,027
1890..	202,451,086	1,371,116,744	1,573,567,830	12.9	73,571,293	1,647,139,093
1891..	206,459,729	1,450,081,087	1,656,540,812	12.5	72,856,164	1,729,397,006
1892..	220,173,735	1,564,559,651	1,784,733,386	12.3	72,947,224	1,857,680,610
1893..	197,765,507	1,428,316,568	1,626,082,075	12.2	87,984,041	1,714,066,116
1894..	195,268,216	1,273,022,456	1,468,290,672	13.3	78,844,522	1,547,135,194
1895..	170,507,196	1,285,896,192	1,456,403,388	11.7	83,104,742	1,539,508,130
1896..	187,691,887	1,377,973,521	1,565,665,408	12.	96,666,204	1,662,331,612
1897..	189,075,277	1,525,753,766	1,714,829,043	11.	100,894,925	1,815,723,968
1898..	161,328,017	1,582,492,479	1,743,820,496	9.3	103,711,488	1,847,531,984
1899..	160,612,296	1,646,263,857	1,806,876,063	8.9	117,295,728	1,924,171,791
1900..	195,084,192	1,894,444,424	2,089,528,616	9.3	154,895,650	2,244,424,263
1901..	177,398,615	1,974,536,796	2,151,935,411	8.2	159,001,745	2,310,937,159
1902..	185,819,987	1,919,029,314	2,104,849,301	8.8	180,191,048	2,285,040,346
1903..	214,695,032	2,026,106,388	2,240,801,420	9.1	205,059,496	2,445,860,916
1904..	229,735,119	2,001,203,514	2,230,938,633	10.3	220,976,009	2,451,914,642
1905..	290,607,946	2,103,201,462	2,393,809,408	12.1	242,265,329	2,636,074,737
1906..	322,347,205	2,367,667,354	2,690,014,559	12.0	280,412,387	2,970,426,946
1907..	318,331,026	2,684,296,291	3,002,627,317	10.6	312,645,186	3,315,272,503

A nation like that of the United States, with eighty millions of people, with resources unexampled in the history of the world, with ideals as high as those of any nation, with the earnest desire to spread the principles of liberty and of popular government, cannot maintain a position of isolation with respect to the peoples of the world when fate shall have thrust some of those peoples under our control.  
—Hon. Wm. H. Taft, at Cleveland, Ohio.

**Our Future is on the Sea.**

[From the speech of the Hon. J. Sloat Fassett, of New York.]

You will remember there are two great American questions put to every proposition:

First. Is it right?

Second. Will it pay?

The great prizes of the future are to be won from the waters, not from the lands. Our political well-being and our social integrity and health are all wrapped up in developing a merchant navy large enough to carry our goods to all the open and opening markets of the world in times of peace, and strong enough, in cooperation with our Army and Navy, to protect our coasts, as well as our commerce, in times of war. This can be done, as matters are at present, only by putting up our subsidies, or putting down our wages and reducing our scale of living, but the scale of living will not go backward; that is too dear a price to pay. If war should come—which God forbid—and if our Navy and our Army should undertake to meet ideal conditions and strike the swiftest possible blow with the greatest possible force, at the greatest possible distance from home, we should find ourselves utterly unable to meet conditions. We could not embark a single Army division of 20,000 men fully armed and fully equipped and prepared for any point, either on the Atlantic or Pacific coast. We could not supply the auxiliary transports and hospital ships and other necessary ships for the Navy alone, to say nothing of supplying ships to carry and provide for troops. We should be reduced in spite of our glorious Navy, to the ridiculous and dangerous, if not the fatal, absurdity of operating our fleet within sight of shore and waiting to receive the attack of the enemy at the enemy's own pleasure and in the enemy's own good way. Our trade rivals subsidize and flourish. We are living on a high plane. We could not and would not reduce the comforts in the lives and homes of our American working people, either at sea or on land, so we must come squarely to the line and give aid, and give it quickly, and give it abundantly in the form of adequate subsidies for services rendered and to be rendered. We must give it not because it will be of advantage to individuals here and there, but in spite of that fact; not because it will increase the revenues of corporations engaged in deep-sea commerce, but in spite of that fact. We must give it in this way, because it is necessary for the well-being of all our citizens; because it enables us in times of peace to obtain security in times of war; we must do it to insure the best interests of our future; we must do it because it will pay to do it and because it is right to do it. We must subsidize because it is the only way; because we must be prepared to meet the call of our manifest destiny; because we cannot shirk the burden put upon us by circumstances, and we must do it quickly—before our ships are all gone, and before our sailors have all disappeared. It is not a question of pride; it is not a question of pleasure; between failure and success, we must choose success; between humiliation and victory, we must choose victory. We must choose to meet our rivals as gloriously on the seas as we have ever met them on the land. To maintain our merchant victories by land we must arrange for merchant victories at sea.

**From First Annual Report of Secretary of Commerce and Labor, Hon. George B. Cortelyou, 1903.**

For years the condition of our shipping in foreign trade has been a matter of concern to public-spirited Americans. It is virtually the only form of commercial and industrial activity in which the country has not recently shown creditable growth. As an industry it holds exceptional relations to Government. From the nature of things, it has been exposed in an unusual degree to foreign competition. These and other considerations make it a fitting subject for our highest statesmanship. Strong appeals in its behalf by our Presidents from the time of General Grant and earnest efforts more recently in Congress have so far brought meager results. Congress has made it the duty of the Department of Commerce and Labor to foster, promote and develop our shipping interests. Commerce and labor, however, are not the only interests concerned in the improvement of our merchant shipping. Recent legislation and administration have aimed to render more effective the militia of the States as an important factor in the national defense. In our past wars the men and ships of the merchant marine were the reserves that put our Navy on a war footing, and under like circumstances they must perform the same service. Government aid to the merchant marine, in its naval features, should conform closely to our general naval policy. The position among nations now occupied by the United States warrants the maintenance of an ocean mail service equal to that of the United Kingdom or of Germany, in order that like those countries we may possess the best possible facilities of communication in our dealings with distant quarters of the world. By the establishment of such service other nations have helped to build up their shipbuilding industries and to strengthen their position on the sea.



**Ocean Mail Receipts and Revenues.**

For some years past the postage collected on our foreign ocean mails has been very much greater than the expenses of our foreign ocean mail service. For the past fiscal year our revenues (postage) from foreign ocean mails were \$6,579,043.48 and expenses \$2,941,816.67, leaving an apparent surplus of \$3,637,226.81. From this surplus something (between \$500,000 and \$600,000) should be deducted for railroad transportation, so that the actual surplus was about \$3,000,000. It is proposed to apply this surplus of ocean mail revenues to the improvement and extension of the ocean mail service in those directions where improvement and extension are most needed.

*Receipts, cost and surplus of our foreign mails.*

Year.	Receipts.	Cost.	Surplus.
1907.....	\$6,579,043.48	\$2,941,816.67	\$3,637,226.81
1908.....	6,008,807.53	2,965,624.21	3,043,183.32
1905.....	4,711,215.03	2,670,798.43	2,040,416.60
1901.....	5,095,389.18	2,516,053.06	2,579,336.12
1903.....	4,991,974.54	2,383,588.80	2,608,385.74
1902.....	3,737,318.57	2,245,625.55	1,491,693.02
1901.....	3,005,323.61	2,082,537.16	942,786.45
1900.....	3,467,139.26	2,014,537.96	1,452,601.30

**Ship Materials Already Free.**

All materials of every kind required for the construction, equipment or repair of vessels built in this country for the foreign trade or for the long-voyage coastwise trade between our Atlantic and Pacific seaports are free of duty under sections 12 and 13 of the free list of the Dingley tariff, as follows:

**Dingley Tariff Free List.**

SEC. 12. That all materials of foreign production which may be necessary for the construction of vessels built in the United States for foreign account and ownership, or for the purpose of being employed in the foreign trade, including the trade between the Atlantic and Pacific ports of the United States, and all such materials necessary for the building of their machinery, and all articles necessary for their outfit and equipment, may be imported in bond under such regulations as the Secretary of the Treasury may prescribe; and upon proof that such materials have been used for such purposes no duties shall be paid thereon. But vessels receiving the benefit of this section shall not be allowed to engage in the coastwise trade of the United States more than two months in any one year, except upon the payment to the United States of the duties of which a rebate is herein allowed: *Provided*, That vessels built in the United States for foreign account and ownership shall not be allowed to engage in the coastwise trade of the United States.

SEC. 13. That all articles of foreign production needed for the repair of American vessels engaged in foreign trade, including the trade between the Atlantic and Pacific ports of the United States, may be withdrawn from bonded warehouses free of duty under such regulations as the Secretary of the Treasury may prescribe.

Under this law not only steel plates and shapes, but articles of equipment so elaborate and costly as ships' compasses, have been imported free of duty for the use of vessels built in this country for the foreign trade and for the coastwise trade between the Atlantic and Pacific.

**Ocean Freights and Fares.**

The total amount expended in ocean freights and fares in trade between the United States and foreign countries, both going and coming, is not a matter of official record. From careful computations made by American and foreign authorities it is estimated, however, that in 1906 the fares paid by passengers to and fro between the United States and foreign countries amounted to \$65,000,000; the cost of transporting the mails, both going and coming, to about \$5,000,000, and freights on cargoes to \$155,000,000, making a grand total of \$225,000,000.



*Number and net and gross tonnage of steam and sailing vessels of over 100 tons, of the several countries of the world, as recorded in Lloyd's Register for 1907-8.*

Flag.	Steam.		Sail.		Total tonnage.
	Number.	Gross tons.	Number.	Net tons.	
British:					
United Kingdom.....	8,292	15,930,368	1,225	1,069,300	16,999,668
Colonies .....	1,219	1,070,771	781	250,229	1,321,000
Total.....	9,511	17,001,139	2,006	1,319,529	18,320,668
American (United States):					
Sea .....	1,029	1,503,059	1,905	1,225,652	2,728,711
Lake .....	465	1,618,718	47	119,045	1,737,763
Philippine Islands.....	83	39,118	29	6,336	45,454
Total.....	1,577	3,160,895	1,981	1,351,033	4,511,928
Argentine .....	169	105,916	74	27,155	133,071
Austro-Hungarian .....	312	677,221	14	11,398	688,619
Belgian .....	131	191,597	2	1,118	192,715
Brazilian .....	283	191,088	78	19,597	210,685
Chilean .....	87	107,727	63	48,589	156,316
Danish .....	501	650,955	358	77,635	728,590
Dutch .....	455	776,855	92	36,772	813,627
French .....	809	1,284,368	674	477,415	1,761,783
German .....	1,713	3,705,700	381	404,862	4,110,562
Greek .....	255	421,743	156	44,789	466,532
Italian .....	397	823,325	710	396,084	1,219,409
Japanese .....	829	1,068,747	6	3,219	1,071,873
Norwegian .....	1,181	1,264,002	980	654,529	1,918,531
Portuguese .....	65	62,675	133	38,363	101,038
Russian .....	687	720,198	672	217,713	937,911
Spanish .....	468	673,301	110	35,448	708,749
Swedish .....	889	686,517	649	191,031	877,548
Turkish .....	132	106,929	170	58,092	165,021
Other countries .....	295	288,913	148	54,825	343,738
Total.....	20,746	33,969,811	9,457	5,469,106	39,438,917

*Condition of American merchant marine 1880 to 1907.*

Year.	American vessels.				Registered tonnage of vessels passing through Sault Ste. Marie Canal.
	Built	Engaged in foreign trade.	Engaged in domestic trade.	Engaged in commerce of Great Lakes.	
	Tons.	Tons.	Tons.	Tons.	Registered tons.
1880.....	157,409	1,352,810	2,715,224	605,102	1,734,890
1885.....	159,056	1,287,998	2,977,936	749,948	3,035,937
1890.....	294,122	946,695	3,477,802	1,063,063	8,454,435
1891.....	369,302	1,095,950	3,678,809	1,154,870	8,400,635
1892.....	199,633	994,676	3,770,245	1,183,582	10,647,203
1893.....	211,639	899,803	3,925,268	1,261,067	8,949,754
1894.....	131,195	916,180	3,767,849	1,227,400	18,110,366
1895.....	111,602	838,186	3,797,774	1,241,459	16,806,781
1896.....	227,096	844,954	3,858,926	1,324,067	17,249,418
1897.....	232,232	805,581	3,963,436	1,410,102	17,619,933
1898.....	180,158	737,709	4,012,029	1,437,500	18,622,754
1899.....	300,038	848,246	4,015,992	1,446,348	21,958,347
1900.....	393,790	826,694	4,338,145	1,565,587	22,315,834
1901.....	483,489	889,129	4,635,089	1,706,294	24,626,976
1902.....	468,833	882,555	4,915,347	1,816,511	31,955,582
1903.....	436,152	888,776	5,198,569	1,902,698	27,736,446
1904.....	378,542	808,768	5,392,767	2,019,208	24,364,138
1905.....	330,316	954,513	5,502,030	2,062,147	36,617,699
1906.....	418,745	939,486	5,735,483	2,234,432	41,098,324
1907.....	471,332	871,146	6,067,648	2,439,741	44,087,974

The problems that seemed to hang over us at the close of the war with Spain have gone far toward solution. We of America have discovered that we, too, possess the supreme governing capacity, capacity not merely to govern ourselves at home, but that great power that in all ages has made the difference between the great and the small nations, the capacity to govern men wherever they were found.—Elihu Root at Union League, New York, Feb. 3, 1904.

# REPUBLICAN NATIONAL PLATFORM OF 1908.

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Once more the Republican Party, in National Convention assembled, submits its cause to the people. This great historic organization, that destroyed slavery, preserved the Union, restored credit, expanded the national domain, established a sound financial system, developed the industries and resources of the country, and gave to the nation her seat of honor in the councils of the world, now meets the new problems of government with the same courage and capacity with which it solved the old.

## **Republicanism Under Roosevelt.**

In this greatest era of American advancement the Republican Party has reached its highest service under the leadership of Theodore Roosevelt. His administration is an epoch in American history. In no other period since national sovereignty was won under Washington, or preserved under Lincoln, has there been such mighty progress in those ideals of government which make for justice, equality, and fair dealing among men. The highest aspirations of the American people have found a voice. Their most exalted servant represents the best aims and worthiest purposes of all his countrymen. American manhood has been lifted to a nobler sense of duty and obligation. Conscience and courage in public station and higher standards of right and wrong in private life have become cardinal principles of political faith; capital and labor have been brought into closer relations of confidence and interdependence; and the abuse of wealth, the tyranny of power, and all the evils of privilege and favoritism have been put to scorn by the simple, manly virtues of justice and fair play.

The great accomplishments of President Roosevelt have been, first and foremost, a brave and impartial enforcement of the law; the prosecution of illegal trusts and monopolies; the exposure and punishment of evil-doers in the public service; the more effective regulation of the rates and service of the great transportation lines; the complete overthrow of preferences, rebates, and discriminations; the arbitration of labor disputes; the amelioration of the condition of wage-workers everywhere; the conservation of the natural resources of the country; the forward step in the improvement of the inland waterways, and always the earnest support and defense of every wholesome safeguard which has made more secure the guaranties of life, liberty, and property.

These are the achievements that will make Theodore Roosevelt his place in history, but more than all else the great things he has done will be an inspiration to those who have yet greater things to do. We declare our unfaltering adherence to the policies thus inaugurated, and pledge their continuance under a Republican administration of the Government.

## **Equality of Opportunity.**

Under the guidance of Republican principles the American people have become the richest nation in the world. Our wealth today exceeds that of England and all her colonies, and that of France and Germany combined. When the Republican Party was born the total wealth of the country was \$16,000,000,000. It has leaped to \$110,000,000,000 in a generation, while Great Britain has gathered but \$60,000,000,000 in five hundred years. The United States now owns one-fourth of the world's wealth and makes one-third of all modern manufactured products. In the great necessities of civilization, such as coal, the motive power of all activity; iron, the chief basis of all industry; cotton, the staple foundation of all fabrics; wheat, corn, and all the agricultural products that feed mankind, America's supremacy is un-

disputed. And yet her great natural wealth has been scarcely touched. We have a vast domain of three million square miles, literally bursting with latent treasure, still waiting the magic of capital and industry to be converted to the practical uses of mankind; a country rich in soil and climate, in the unharnessed energy of its rivers, and in all the varied products of the field, the forest, and the factory. With gratitude for God's bounty, with pride in the splendid productiveness of the past, and with confidence in the plenty and prosperity of the future the Republican Party declares for the principle that in the development and enjoyment of wealth so great and blessings so benign there shall be equal opportunity for all.

#### **The Revival of Business.**

Nothing so clearly demonstrates the sound basis upon which our commercial, industrial, and agricultural interests are founded, and the necessity of promoting their continued welfare through the operation of Republican policies, as the recent safe passage of the American people through a financial disturbance which, if appearing in the midst of Democratic rule or the menace of it, might have equaled the familiar Democratic panics of the past. We congratulate the people upon this renewed evidence of American supremacy and hail with confidence the signs now manifest of a complete restoration of business prosperity in all lines of trade, commerce, and manufacturing.

#### **Recent Republican Legislation.**

Since the election of William McKinley in 1906 the people of this country have felt anew the wisdom of intrusting to the Republican Party through decisive majorities the control and direction of national legislation.

The many wise and progressive measures adopted at recent sessions of Congress have demonstrated the patriotic resolve of Republican leadership in the legislative department to keep step in the forward march toward better government.

Notwithstanding the indefensible filibustering of a Democratic minority in the House of Representatives during the last session many wholesome and progressive laws were enacted, and we especially commend the passage of the emergency currency bill, the appointment of the national monetary commission, the employers' and Government liability laws, the measures for the greater efficiency of the Army and Navy, the widows' pension bill, the child labor law for the District of Columbia, the new statute for the safety of railroad engineers and firemen, and many other acts conserving the public welfare.

#### **Republican Pledges for the Future.**

##### *Tariff.*

The Republican Party declares unequivocally for the revision of the tariff by a special session of Congress immediately following the inauguration of the next President, and commends the steps already taken to this end in the work assigned to the appropriate committees of Congress which are now investigating the operation and effect of existing schedules. In all tariff legislation the true principle of protection is best maintained by the imposition of such duties as will equal the difference between the cost of production at home and abroad, together with a reasonable profit to American industries. We favor the establishment of maximum and minimum rates to be administered by the President under limitations fixed in the law, the maximum to be available to meet discriminations by foreign countries against American goods entering their markets, and the minimum to represent the normal measure of protection at home, the aim and purpose of the Republican policy being not only to preserve, without excessive duties, that security against foreign competition to which American manufacturers, farmers, and producers are entitled, but also to maintain the high standard of living of the wage-earners of this country, who are the most direct beneficiaries of the protective system. Between the United States and the Philippines we believe in a free interchange of products with such limitations as to sugar and tobacco as will afford adequate protection to domestic interests.



*Currency.*

We approve the emergency measures adopted by the Government during the recent financial disturbance, and especially commend the passage by Congress at the last session of the law designed to protect the country from a repetition of such stringency. The Republican Party is committed to the development of a permanent currency system responding to our great needs, and the appointment of the National Monetary Commission by the present Congress, which will impartially investigate all proposed methods, insures the early realization of this purpose. The present currency laws have fully justified their adoption, but an expanding commerce, a marvelous growth in wealth and population, multiplying the centers of distribution, increasing the demand for the movement of crops in the West and South, and entailing periodic changes in monetary conditions disclose the need of a more elastic and adaptable system. Such a system must meet the requirements of agriculturists, manufacturers, merchants, and business men generally, must be automatic in operation, minimizing the fluctuations in interest rates, and, above all, must be in harmony with that Republican doctrine which insists that every dollar shall be based upon and as good as gold.

*Postal Savings.*

We favor the establishment of a postal savings bank system for the convenience of the people and the encouragement of thrift.

*Trusts.*

The Republican Party passed the Sherman Anti-trust law over Democratic opposition and enforced it after Democratic dereliction. It has been a wholesome instrument for good in the hands of a wise and fearless administration. But experience has shown that its effectiveness can be strengthened and its real objects better attained by such amendments as will give to the Federal Government greater supervision and control over and secure greater publicity in the management of that class of corporations engaged in interstate commerce having power and opportunity to effect monopolies.

*Railroads.*

We approve the enactment of the railroad rate law and the vigorous enforcement by the present administration of the statutes against rebates and discriminations, as a result of which the advantages formerly possessed by the large shipper over the small shipper have substantially disappeared; and in this connection we commend the appropriation by the present Congress to enable the Interstate Commerce Commission to thoroughly investigate and give publicity to the accounts of interstate railroads. We believe, however, that the interstate commerce law should be further amended so as to give railroads the right to make and publish traffic agreements subject to the approval of the Commission, but maintaining always the principle of competition between naturally competing lines and avoiding the common control of such lines by any means whatsoever. We favor such national legislation and supervision as will prevent the future overissue of stocks and bonds by interstate carriers.

*Railroad and Government Employees.*

The enactment in constitutional form at the present session of Congress of the employers' liability law, the passage and enforcement of the safety appliance statutes, as well as the additional protection secured for engineers and firemen, the reduction in the hours of labor of trainmen and railroad telegraphers, the successful exercise of the powers of mediation and arbitration between interstate railroads and their employees, and the law making a beginning in the policy of compensation for injured employees of the Government, are among the most commendable accomplishments of the present administration. But there is further work in this direction yet to be done, and the Republican Party pledges its continued devotion to every cause that makes for safety and the betterment of conditions among those whose labor contributes so much to the progress and welfare of the country.

*Wage-earners Generally.*

The same wise policy which has induced the Republican Party to maintain protection to American labor, to establish an eight hour day in the construction of all public works, to increase the list of employees who shall have preferred claims for wages under the bankruptcy laws, to adopt a child labor statute for the District of Columbia, to direct an investigation into the condition of working women and children and, later, of employees of telephone and telegraph companies engaged in interstate business, to appropriate \$150,000 at the recent session of Congress in order to secure a thorough inquiry into the causes of catastrophes and loss of life in the mines, and to amend and strengthen the law prohibiting the importation of contract labor, will be pursued in every legitimate direction within Federal authority to lighten the burdens and increase the opportunity for happiness and advancement of all who toil. The Republican Party recognizes the special needs of wage-workers generally, for their well being means the well being of all. But more important than all other considerations is that of good citizenship, and we especially stand for the needs of every American, whatever his occupation, in his capacity as a self-respecting citizen.

*Court Procedure.*

The Republican Party will uphold at all times the authority and integrity of the courts, State and Federal, and will ever insist that their powers to enforce their process and to protect life, liberty, and property shall be preserved inviolate. We believe, however, that the rules of procedure in the Federal Courts with respect to the issuance of the writ of injunction should be more accurately defined by statute, and that no injunction or temporary restraining order should be issued without notice, except where irreparable injury would result from delay, in which case a speedy hearing thereafter should be granted.

*The American Farmer.*

Among those whose welfare is as vital to the welfare of the whole country as that of the wage-earner is the American farmer. The prosperity of the country rests peculiarly upon the prosperity of agriculture. The Republican Party during the last twelve years has accomplished extraordinary work in bringing the resources of the National Government to the aid of the farmer, not only in advancing agriculture itself, but in increasing the conveniences of rural life. Free rural mail delivery has been established; it now reaches millions of our citizens, and we favor its extension until every community in the land receives the full benefits of the postal service. We recognize the social and economical advantages of good country roads, maintained more and more largely at public expense, and less and less at the expense of the abutting owner. In this work we commend the growing practice of State aid, and we approve the efforts of the National Agricultural Department, by experiments and otherwise, to make clear to the public the best methods of road construction.

*Rights of the Negro.*

The Republican Party has been for more than fifty years the consistent friend of the American negro. It gave him freedom and citizenship. It wrote into the organic law the declarations that proclaim his civil and political rights, and it believes today that his noteworthy progress in intelligence, industry, and good citizenship has earned the respect and encouragement of the nation. We demand equal justice for all men, without regard to race or color; we declare once more, and without reservation, for the enforcement in letter and spirit of the Thirteenth, Fourteenth, and Fifteenth Amendments to the Constitution, which were designed for the protection and advancement of the negro, and we condemn all devices that have for their real aim his disfranchisement for reasons of color alone as unfair, un-American, and repugnant to the supreme law of the land.

*Natural Resources and Waterways.*

We indorse the movement inaugurated by the administration for the conservation of natural resources; we approve all meas-



ures to prevent the waste of timber; we commend the work now going on for the reclamation of arid lands, and reaffirm the Republican policy of the free distribution of the available areas of the public domain to the landless settler. No obligation of the future is more insistent and none will result in greater blessings to posterity. In line with this splendid undertaking is the further duty, equally imperative, to enter upon a systematic improvement upon a large and comprehensive plan, just to all portions of the country, of the waterways, harbors, and great lakes, whose natural adaptability to the increasing traffic of the land is one of the greatest gifts of a benign Providence.

#### *The Army and Navy.*

The Sixtieth Congress passed many commendable acts increasing the efficiency of the Army and Navy, making the militia of the States an integral part of the national establishment, authorizing joint maneuvers of army and militia, fortifying new naval bases and completing the construction of coaling stations, instituting a female nurse corps for naval hospitals and ships, and adding two new battleships, ten torpedo boat destroyers, three steam colliers, and eight submarines to the strength of the Navy. Although at peace with all the world, and secure in the consciousness that the American people do not desire and will not provoke a war with any other country, we nevertheless declare our unalterable devotion to a policy that will keep this Republic ready at all times to defend her traditional doctrines, and assure her appropriate part in promoting permanent tranquillity among the nations.

#### *Protection of American Citizens Abroad.*

We commend the vigorous efforts made by the Administration to protect American citizens in foreign lands, and pledge ourselves to insist upon the just and equal protection of all our citizens abroad. It is the unquestioned duty of the Government to procure for all our citizens, without distinction, the rights to travel and sojourn in friendly countries, and we declare ourselves in favor of all proper efforts tending to that end.

#### *Extension of Foreign Commerce.*

Under the administration of the Republican Party the foreign commerce of the United States has experienced a remarkable growth until it has a present annual valuation of approximately three billions of dollars, and gives employment to a vast amount of labor and capital which would otherwise be idle. It has inaugurated, through the recent visit of the Secretary of State to South America and Mexico, a new era of Pan-American commerce and comity, which is bringing us into closer touch with our twenty sister American Republics, having a common historical heritage, a Republican form of government, and offering us a limitless field of legitimate commercial expansion.

#### *Arbitration and The Hague Treaties.*

The conspicuous contributions of American statesmanship to the great cause of international peace, so signally advanced in The Hague conferences, are an occasion for just pride and gratification. At the last session of the Senate of the United States eleven Hague conventions were ratified, establishing the rights of neutrals, laws of war on land, restriction of submarine mines, limiting the use of force for the collection of contractual debts, governing the opening of hostilities, extending the application of Geneva principles, and, in many ways, lessening the evils of war and promoting the peaceful settlement of international controversies. At the same session twelve arbitration conventions with great nations were confirmed and extradition, boundary, and naturalization treaties of supreme importance were ratified. We indorse such achievements as the highest duty a people can perform and proclaim the obligation of further strengthening the bonds of friendship and good-will with all nations of the world.

#### *Merchant Marine.*

We adhere to the Republican doctrine of encouragement to American shipping and urge such legislation as will revive the



merchant marine prestige of the country, so essential to national defense, the enlargement of foreign trade, and the industrial prosperity of our own people.

#### *Veterans of the Wars.*

Another Republican policy which must be ever maintained is that of generous provision for those who have fought the country's battles and for the widows and orphans of those who have fallen. We commend the increase in the widows' pensions made by the present Congress, and declare for a liberal administration of all pension laws, to the end that the people's gratitude may grow deeper as the memories of heroic sacrifice grow more sacred with the passing years.

#### *Civil Service.*

We reaffirm our former declaration that the civil service laws, enacted, extended, and enforced by the Republican Party, shall continue to be maintained and obeyed.

#### *Public Health.*

We commend the efforts designed to secure greater efficiency in National public health agencies, and favor such legislation as will effect this purpose.

#### *Bureau of Mines and Mining.*

In the interest of the great mineral industries of our country, we earnestly favor the establishment of a Bureau of Mines and Mining.

#### *Cuba, Porto Rico, Philippines, and Panama.*

The American Government, in Republican hands, has freed Cuba, giving peace and protection to Porto Rico and the Philippines under our flag, and begun the construction of the Panama Canal. The present conditions in Cuba vindicate the wisdom of maintaining between that Republic and this imperishable bonds of mutual interest, and the hope is now expressed that the Cuban people will soon again be ready to assume complete sovereignty over their land.

In Porto Rico the Government of the United States is meeting loyal and patriotic support; order and prosperity prevail, and the well-being of the people is in every respect promoted and conserved.

We believe that the native inhabitants of Porto Rico should be at once collectively made citizens of the United States, and that all others properly qualified under existing laws residing in said island should have the privilege of becoming naturalized.

In the Philippines insurrection has been suppressed, law established, and life and property made secure. Education and practical experience are there advancing the capacity of the people for government, and the policies of McKinley and Roosevelt are leading the inhabitants step by step to an ever-increasing measure of home rule.

Time has justified the selection of the Panama route for the great Isthmian Canal, and events have shown the wisdom of securing authority over the zone through which it is to be built. The work is now progressing with a rapidity far beyond expectation, and already the realization of the hopes of centuries has come within the vision of the near future.

#### *New Mexico and Arizona.*

We favor the immediate admission of the Territories of New Mexico and Arizona as separate States in the Union.

#### *Centenary of the Birth of Lincoln.*

February 12, 1909, will be the one hundredth anniversary of the birth of Abraham Lincoln, an immortal spirit whose fame has brightened with the receding years, and whose name stands among the first of those given to the world by the great Republic. We recommend that this centennial anniversary be celebrated throughout the confines of the nation by all the people thereof, and especially by the public schools, as an exercise to stir the patriotism of the youth of the land.

### Democratic Incapacity for Government.

We call the attention of the American people to the fact that none of the great measures here advocated by the Republican Party could be enacted and none of the steps forward here proposed could be taken under a Democratic administration or under one in which party responsibility is divided. The continuance of present policies, therefore, absolutely requires the continuance in power of that party which believes in them and which possesses the capacity to put them into operation.

### Fundamental Differences Between Democracy and Republicanism.

Beyond all platform declarations there are fundamental differences between the Republican Party and its chief opponent which makes the one worthy and the other unworthy of public trust.

In history the difference between Democracy and Republicanism is that the one stood for debased currency, the other for honest currency; the one for free silver, the other for sound money; the one for free trade, the other for protection; the one for the contraction of American influence, the other for its expansion; the one has been forced to abandon every position taken on the great issues before the people, the other has held and vindicated all.

In experience, the difference between Democracy and Republicanism is that one means adversity, while the other means prosperity; one means low wages, the other means high; one means doubt and debt, the other means confidence and thrift.

In principle, the difference between Democracy and Republicanism is that one stands for vacillation and timidity in government, the other for strength and purpose; one promises, the other performs; one finds fault, the other finds work.

The present tendencies of the two parties are even more marked by inherent differences. The trend of Democracy is toward socialism, while the Republican Party stands for a wise and regulated individualism. Socialism would destroy wealth. Republicanism would prevent its abuse. Socialism would give to each an equal right to take; Republicanism would give to each an equal right to earn. Socialism would offer an equality of possession which would soon leave no one anything to possess; Republicanism would give equality of opportunity which would assure to each his share of a constantly increasing sum of possessions. In line with this tendency the Democratic party of to-day believes in government ownership, while the Republican Party believes in government regulation. Ultimately Democracy would have the nation own the people, while Republicanism would have the people own the nation.

Upon this platform of principles, of purposes, reaffirming our adherence to every Republican doctrine proclaimed since the birth of the party, we go before the country asking the support not only of those who have acted with us heretofore, but of all our fellow-citizens who, regardless of past political differences, unite in the desire to maintain the policies, perpetuate the blessings, and make secure the achievements of a greater America.

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Our free trade friends have told us for years and years that if we do not buy we cannot sell, but we have gone on doing both at a wondrously increasing rate, but selling just enough more than we buy to meet all foreign obligations and keep our gold as a bulwark of redemption. That has been the Republican method, and that is going to continue to be the Republican method.—Hon. James S. Sherman.

We were passing into a regime of an irresponsible plutocracy. During the last four years there has been a great moral awakening to this danger among the people and a popular demand that the lawbreakers—no matter how wealthy or how high or powerful their position—shall be made to suffer. Under the leadership of Theodore Roosevelt the Republican party has not faltered in its determination to meet the requirements of this situation and to enact such legislation as may be necessary to bring to a close this period of illegitimate corporate immunity.—Hon. Wm. H. Taft, at Kansas City, Mo.

# THE DEMOCRATIC NATIONAL PLATFORM OF 1908.

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We, the representatives of the Democracy of the United States, in National Convention assembled, reaffirm our belief in, and pledge our loyalty to, the principles of the party.

We rejoice at the increasing signs of an awakening throughout the country. The various investigations have traced graft and political corruption to the representatives of predatory wealth, and laid bare the unscrupulous methods by which they have debauched elections and preyed upon a defenseless public through the subservient officials whom they have raised to place and power.

The conscience of the nation is now aroused to free the Government from the grip of those who have made it a business asset of the favor-seeking corporations. It must become again a people's government, and be administered in all its departments according to the Jeffersonian maxim—"equal rights to all; special privileges to none."

"Shall the people rule?" is the overshadowing issue which manifests itself in all the questions now under discussion.

## **Increase of Office Holders.**

Coincident with the enormous increase in expenditures is a like addition to the number of officeholders. During the past year 23,784 were added, costing \$16,156,000 and in the past six years of Republican administration the total number of new offices created, aside from any commissions, has been 99,319, entailing an additional expenditure of nearly \$70,000,000 as against only 10,279 new offices created under the Cleveland and McKinley administrations, which involved an expenditure of only \$6,000,000. We denounce this great and growing increase in the number of officeholders as not only unnecessary and wasteful but also as clearly indicating a deliberate purpose on the part of the administration to keep the Republican party in power at public expense by thus increasing the number of its retainers and dependents. Such procedure we declare to be no less dangerous and corrupt than the open purchase of votes at the polls.

## **Economy in Administration**

The Republican Congress in the session just ended made appropriations amounting to \$1,008,000,000, exceeding the total expenditures of the past fiscal year by \$90,000,000 and leaving a deficit of more than \$60,000,000 for the fiscal year just ended. We denounce the heedless waste of the people's money which has resulted in this appalling increase as a shameful violation of all prudent considerations of government and as no less than a crime against the millions of working men and women from whose earnings the great proportion of these colossal sums must be extorted through excessive tariff exactions and other indirect methods. It is not surprising that in the face of this shocking record the Republican platform contains no reference to economical administration or promise thereof in the future. We demand that a stop be put to this frightful extravagance, and insist upon the strictest economy in every department compatible with frugal and efficient administration.

## **Arbitrary Power—The Speaker.**

The House of Representatives was designed by the fathers of the Constitution to be the popular branch of our Government, responsive to the public will.

The House of Representatives, as controlled in recent years by the Republican party has ceased to be a deliberative and legisla-



tive body, responsive to the will of a majority of its members, but has come under the absolute domination of the Speaker, who has entire control of its deliberations and powers of legislation.

We have observed with amazement the popular branch of our Federal Government helpless to obtain either the consideration or enactment of measures desired by a majority of its members.

Legislative control becomes a failure when one member in the person of the Speaker is more powerful than the entire body.

We demand that the House of Representatives shall again become a deliberative body, controlled by a majority of the people's representatives, and not by the Speaker; and we pledge ourselves to adopt such rules and regulations to govern the House of Representatives as will enable a majority of its members to direct its deliberations and control legislation.

#### **Misuse of Patronage.**

We condemn as a violation of the spirit of our institutions the action of the present Chief Executive in using the patronage of his high office to secure the nomination for the Presidency of one of his cabinet officers. A forced succession in the Presidency is scarcely less repugnant to public sentiment than is life tenure in that office. No good intention on the part of the Executive, and no virtue in the one selected, can justify the establishment of a dynasty. The right of the people freely to select their officials is inalienable and can not be delegated.

#### **Publicity of Campaign Contributions.**

We demand Federal legislation forever terminating the partnership which has existed between corporations of the country and the Republican party under the expressed or implied agreement that in return for the contribution of great sums of money wherewith to purchase elections, they should be allowed to continue substantially unmolested in their efforts to encroach upon the rights of the people.

Any reasonable doubt as to the existence of this relation has been forever dispelled by the sworn testimony of witnesses examined in the insurance investigation in New York, and the open admission of a single individual—unchallenged by the Republican National Committee—that he himself at the personal request of the Republican candidate for the Presidency raised over a quarter of a million dollars to be used in a single State during the closing hours of the last campaign. In order that this practice shall be stopped for all time, we demand the passage of a statute punishing by imprisonment any officer of a corporation who shall either contribute on behalf of, or consent to the contribution by, a corporation of any money or thing of value to be used in furthering the election of a President or Vice President of the United States or of any member of the Congress thereof.

We denounce the Republican party, having complete control of the Federal Government, for their failure to pass the bill, introduced in the last Congress, to compel the publication of the names of contributors and the amounts contributed toward campaign funds, and point to the evidence of their insincerity when they sought by an absolutely irrelevant and impossible amendment to defeat the passage of the bill. As a further evidence of their intention to conduct their campaign in the coming contest with vast sums of money wrested from favor-seeking corporations, we call attention to the fact that the recent Republican National Convention at Chicago refused, when the issue was presented to it, to declare against such practices.

We pledge the Democratic party to the enactment of a law prohibiting any corporation from contributing to a campaign fund and any individual from contributing an amount above a reasonable maximum, and providing for the publication before elections of all such contributions.

### **The Rights of the States.**

Believing, with Jefferson, in "the support of the State governments in all their rights as the most competent administrations for our domestic concerns, and the surest bulwarks against anti-republican tendencies," and in "the preservation of the General Government in its whole constitutional vigor, as the sheet anchor of our peace at home and safety abroad," we are opposed to the centralization implied in the suggestion, now frequently made, that the powers of the General Government should be extended by judicial construction. There is no twilight zone between the Nation and the State in which exploiting interests can take refuge from both; and it is as necessary that the Federal Government shall exercise the powers delegated to it as it is that the State Governments shall use the authority reserved to them; but we insist that Federal remedies for the regulation of interstate commerce and for the prevention of private monopoly shall be added to, not substituted for, State remedies.

### **Tariff.**

We welcome the belated promise of tariff reform now offered by the Republican party in tardy recognition of the righteousness of the Democratic position on this question; but the people can not safely intrust the execution of this important work to a party which is so deeply obligated to the highly protected interests as is the Republican party. We call attention to the significant fact that the promised relief is postponed until after the coming election—an election to succeed in which the Republican party must have that same support from the beneficiaries of the high protective tariff as it has always heretofore received from them; and to the further fact that during years of uninterrupted power no action whatever has been taken by the Republican Congress to correct the admittedly existing tariff iniquities.

We favor immediate revision of the tariff by the reduction of import duties. Articles entering into competition with trust-controlled products should be placed upon the free list, and material reduction should be made in the tariff upon the necessities of life, especially upon articles competing with such American manufactures as are sold abroad more cheaply than at home; and gradual reduction should be made in such other schedules as may be necessary to restore the tariff to a revenue basis.

Existing duties have given to the manufacturers of paper a shelter behind which they have organized combinations to raise the price of pulp and of paper, thus imposing a tax upon the spread of knowledge. We demand the immediate repeal of the tariff on wood pulp, print paper, lumber, timber and logs, and that these articles be placed upon the free list.

### **Trusts.**

A private monopoly is indefensible and intolerable. We therefore favor the vigorous enforcement of the criminal law against guilty trust magnates and officials, and demand the enactment of such additional legislation as may be necessary to make it impossible for a private monopoly to exist in the United States. Among the additional remedies we specify three: First, a law preventing a duplication of directors among competing corporations; second, a license system which will, without abridging the right of each State to create corporations, or its right to regulate as it will foreign corporations doing business within its limits, make it necessary for a manufacturing or trading corporation engaged in interstate commerce to take out a Federal license before it shall be permitted to control as much as twenty-five per cent of the product in which it deals, the license to protect the public from watered stock and to prohibit the control by such corporation of more than fifty per cent of the total amount of any product consumed in the United States; and, third, a law compelling such licensed corporations to sell to all purchasers in all parts of the country on the same terms, after making due allowance for cost of transportation.

**Railroad Regulation.**

We assert the right of Congress to exercise complete control over interstate commerce and the right of each State to exercise like control over commerce within its borders.

We demand such enlargement of the powers of the Interstate Commerce Commission as may be necessary to enable it to compel railroads to perform their duties as common carriers and prevent discrimination and extortion.

We favor the efficient supervision and rate regulation of railroads engaged in interstate commerce. To this end we recommend the valuation of railroads by the Interstate Commerce Commission, such valuation to take into consideration the physical value of the property, the original cost of production, and all elements of value that will render the valuation fair and just.

We favor such legislation as will prohibit the railroads from engaging in business which brings them into competition with their shippers; also legislation which will assure such reduction in transportation rates as conditions will permit, care being taken to avoid reduction that would compel a reduction of wages, prevent adequate service, or do injustice to legitimate investments.

We heartily approve the laws prohibiting the pass and the rebate, and we favor any further necessary legislation to restrain, correct and prevent such abuses.

We favor such legislation as will increase the power of the Interstate Commerce Commission, giving to it the initiative with reference to rates and transportation charges put into effect by the railroad companies, and permitting the Interstate Commerce Commission, on its own initiative, to declare a rate illegal and as being more than should be charged for such service. The present law relating thereto is inadequate, by reason of the fact that the Interstate Commerce Commission is without power to fix or investigate a rate until complaint has been made to it by the shipper.

We further declare in favor of a law providing that all agreements of traffic or other associations of railway agents affecting interstate rates, service or classification shall be unlawful unless filed with and approved by the Interstate Commerce Commission.

We favor the enactment of a law giving to the Interstate Commerce Commission the power to inspect proposed railroad tariff rates or schedules before they shall take effect, and, if they be found to be unreasonable, to initiate an adjustment thereof.

**Banking.**

The panic of 1907, coming without any legitimate excuse, when the Republican party had for a decade been in complete control of the Federal Government, furnishes additional proof that it is either unwilling or incompetent to protect the interests of the general public. It has so linked the country to Wall street that the sins of the speculators are visited upon the whole people. While refusing to rescue the wealth producers from spoliation at the hands of the stock gamblers and speculators in farm products, it has deposited Treasury funds, without interest and without competition, in favorite banks. It has used an emergency for which it is largely responsible to force through Congress a bill changing the basis of bank currency and inviting market manipulation, and has failed to give to the 15,000,000 depositors of the country protection in their savings.

We believe that in so far as the needs of commerce require an emergency currency, such currency should be issued and controlled by the Federal Government, and loaned on adequate security to National and State banks. We pledge ourselves to legislation under which the national banks shall be required to establish a guarantee fund for the prompt payment of the depositors of any insolvent national bank, under an equitable system which shall be available to all State banking institutions wishing to use it.

We favor a postal savings bank if the guaranteed bank can



not be secured, and that it be constituted so as to keep the deposited money in the communities where it is established. But we condemn the policy of the Republican party in providing postal savings banks under a plan of conduct by which they will aggregate the deposits of the rural communities and redeposit the same while under Government charge in the banks of Wall street, thus depleting the circulating medium of the producing regions and unjustly favoring the speculative markets.

#### **Income Tax.**

We favor an income tax as part of our revenue system, and we urge the submission of a constitutional amendment specifically authorizing Congress to levy and collect a tax upon individual and corporate incomes, to the end that wealth may bear its proportionate share of the burdens of the Federal Government.

#### **Labor and Injunctions.**

The courts of justice are the bulwark of our liberties and we yield to none in our purpose to maintain their dignity. Our party has given to the bench a long line of distinguished judges, who have added to the respect and confidence in which this department must be jealously maintained. We resent the attempt of the Republican party to raise a false issue respecting the judiciary. It is an unjust reflection upon a great body of our citizens to assume that they lack respect for the courts.

It is the function of the courts to interpret the laws which the people create, and if the laws appear to work economic, social or political injustice, it is our duty to change them. The only basis upon which the integrity of our courts can stand is that of unswerving justice and protection of life, personal liberty and property. If judicial processes may be abused we should guard them against abuse.

Experience has proved the necessity of a modification of the present law relating to injunctions, and we reiterate the pledge of our national platforms of 1896 and 1904 in favor of the measure which passed the United States Senate in 1896, but which a Republican Congress has ever since refused to enact, relating to contempts in Federal Courts and providing for trial by jury in cases of indirect contempt.

Questions of judicial practice have arisen especially in connection with industrial disputes. We deem that the parties to all judicial proceedings should be treated with rigid impartiality, and that injunctions should not be issued in any cases in which injunctions would not issue if no industrial dispute were involved.

The expanding organization of industry makes it essential that there should be no abridgment of the right of wage earners and producers to organize for the protection of wages and the improvement of labor conditions, to the end that such labor organizations and their members should not be regarded as illegal combinations in restraint of trade.

We favor the eight-hour day on all Government work.

We pledge the Democratic party to the enactment of a law by Congress, as far as the Federal jurisdiction extends, for a general employers' liability act covering injury to body or loss of life of employees.

We pledge the Democratic party to the enactment of a law creating a Department of Labor, represented separately in the President's Cabinet, in which Department shall be included the subject of mines and mining.

#### **Merchant Marine.**

We believe in the upbuilding of the American merchant marine without new or additional burdens upon the people and without bounties from the public treasury.

#### **The Navy.**

The constitutional provision that a navy should be provided and maintained means an adequate navy, and we believe

that the interests of this country would be best served by having a navy sufficient to defend the coasts of this country and protect American citizens wherever their rights may be in jeopardy.

#### **Protection of American Citizens.**

We pledge ourselves to insist upon the just and lawful protection of our citizens at home and abroad, and to use all proper methods to secure for them, whether native born or naturalized, and without distinction of race or creed, the equal protection of the law and the enjoyment of all rights and privileges open to them under our treaties; and if, under existing treaties, the right to travel and sojourn is denied to American citizens, or recognition is withheld from American passports by any countries on the ground of race or creed, we favor prompt negotiations with the governments of such countries to secure the removal of these unjust discriminations.

We demand that all over the world a duly authenticated passport issued by the Government of the United States to an American citizen shall be proof of the fact that he is an American citizen and shall entitle him to the treatment due him as such.

#### **Civil Service.**

The laws pertaining to the civil service should be honestly and rigidly enforced, to the end that merit and ability shall be the standard of appointment and promotion rather than service rendered to a political party.

#### **Pensions.**

We favor a generous pension policy, both as a matter of justice to the surviving veterans and their dependents, and because it tends to relieve the country of the necessity of maintaining a large standing army.

#### **Health Bureau**

We advocate the organization of all existing national public health agencies into a national bureau of public health with such power over sanitary conditions connected with factories, mines, tenements, child labor and other such subjects as are properly within the jurisdiction of the Federal Government and do not interfere with the power of the States controlling public health agencies.

#### **Agricultural and Mechanical Education.**

The Democratic party favors the extension of agricultural, mechanical and industrial education. We therefore favor the establishment of district agricultural experiment stations and secondary agricultural and mechanical colleges in the several States.

#### **Popular Election of Senators.**

We favor the election of United States Senators by direct vote of the people, and regard this reform as the gateway to other national reforms.

#### **Oklahoma.**

We welcome Oklahoma to the sisterhood of States and heartily congratulate her upon the auspicious beginning of a great career.

#### **Panama Canal.**

We believe that the Panama Canal will prove of great value to our country, and favor its speedy completion.

#### **Arizona and New Mexico.**

The National Democratic party has for the last sixteen years labored for the admission of Arizona and New Mexico as separate States of the Federal Union, and recognizing that each possesses every qualification successfully to maintain separate State governments, we favor the immediate admission of these Territories as separate States.

**Grazing Lands.**

The establishment of rules and regulations, if any such are necessary, in relation to free grazing upon the public lands outside of forest and other reservations, until the same shall eventually be disposed of, should be left to the people of the States respectively in which such lands may be situated.

**Waterways.**

Water furnishes the cheaper means of transportation, and the National Government, having the control of navigable waters, should improve them to their fullest capacity. We earnestly favor the immediate adoption of a liberal and comprehensive plan for improving every water course in the Union which is justified by the needs of commerce; and, to secure that end, we favor, when practicable, the connection of the Great Lakes with the navigable rivers and with the Gulf through the Mississippi river, and the navigable rivers with each other, and the rivers, bays and sounds of our coasts with each other by artificial canals, with a view to perfecting a system of inland waterways to be navigated by vessels of standard draught.

We favor the coordination of the various services of the Government connected with waterways in one service, for the purpose of aiding in the completion of such a system of inland waterways; and we favor the creation of a fund ample for continuous work, which shall be conducted under the direction of a commission of experts to be authorized by law.

**Post Roads.**

We favor Federal aid to State and local authorities in the construction and maintenance of post roads.

**Telegraph and Telephone.**

We pledge the Democratic party to the enactment of a law to regulate, under the jurisdiction of the Interstate Commerce Commission, the rates and services of telegraph and telephone companies engaged in the transmission of messages between the States.

**Natural Resources.**

We repeat the demand for internal development and for the conservation of our natural resources contained in previous platforms, the enforcement of which Mr. Roosevelt has vainly sought from a reluctant party; and to that end we insist upon the preservation, protection and replacement of needed forests, the preservation of the public domain for home-seekers, the protection of the national resources in timber, coal, iron and oil against monopolistic control, the development of our waterways for navigation and every other useful purpose, including the irrigation of arid lands, the reclamation of swamp lands, the clarification of streams, the development of water power, and the preservation of electric power, generated by this natural force, from the control of monopoly; and to such end we urge the exercise of all powers, national, State and municipal, both separately and in co-operation.

We insist upon a policy of administration of our forest reserves which shall relieve it of the abuses which have arisen thereunder, and which shall, as far as practicable, conform to the police regulations of the several States wherein the reserves are located, which shall enable homesteaders as of right to occupy and acquire title to all portions thereof which are especially adapted to agriculture, and which shall furnish a system of timber sales available as well to the private citizen as to the larger manufacturer and consumer.

**Hawaii.**

We favor the application of the principles of the land laws of the United States to our newly acquired territory, Hawaii, to the end that the public lands of that territory may be held and utilized for the benefit of bona fide homesteaders.



### **The Philippines.**

We condemn the experiment of imperialism as an inexcusable blunder which has involved us in enormous expense, brought us weakness instead of strength, and laid our nation open to the charge of abandoning a fundamental doctrine of self-government. We favor an immediate declaration of the nation's purpose to recognize the independence of the Philippine Islands as soon as a stable government can be established, such independence to be guaranteed by us as we guarantee the independence of Cuba, until the neutralization of the islands can be secured by treaty with other powers. In recognizing the independence of the Philippines our Government should retain such land as may be necessary for coaling stations and naval bases.

### **Alaska and Porto Rico.**

We demand for the people of Alaska and Porto Rico the full enjoyment of the rights and privileges of a territorial form of government, and that the officials appointed to administer the government of all our territories and the District of Columbia should be thoroughly qualified by previous bona fide residence.

### **Pan-American Relations.**

The Democratic party recognizes the importance and advantage of developing closer ties of Pan-American friendship and commerce between the United States and her sister nations of Latin-America, and favors the taking of such steps, consistent with Democratic policies, for the better acquaintance, greater mutual confidence, and larger exchange of trade as will bring lasting benefit not only to the United States, but to this group of American Republics, having constitutions, forms of government, ambitions and interests akin to our own.

### **Asiatic Immigration.**

We favor full protection, by both National and State governments within their respective spheres, of all foreigners residing in the United States under treaty, but we are opposed to the admission of Asiatic immigrants who cannot be amalgamated with our population, or whose presence among us would raise a race issue and involve us in diplomatic controversies with Oriental powers.

### **Foreign Patents.**

We believe that where an American citizen holding a patent in a foreign country is compelled to manufacture under his patent within a certain time, similar restrictions should be applied in this country to the citizens or subjects of such a country.

### **Conclusion.**

The Democratic party stands for Democracy; the Republican party has drawn to itself all that is aristocratic and plutocratic.

The Democratic party is the champion of equal rights and opportunities to all; the Republican party is the party of privilege and private monopoly. The Democratic party listens to the voice of the whole people and gauges progress by the prosperity and advancement of the average man; the Republican party is subservient to the comparatively few who are the beneficiaries of governmental favoritism. We invite the co-operation of all, regardless of previous political affiliation or past differences, who desire to preserve a government of the people by the people, and for the people, and who favor such an administration of the government as will insure, as far as human wisdom can, that each citizen shall draw from society a reward commensurate with his contribution to the welfare of society.

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The Republican party is greater than any man, a distinct contrast to the Democratic party, which has but one leader and he its master.—Hon. James S. Sherman.

# SPEECH OF WILLIAM JENNINGS BRYAN.

At Lincoln, Nebraska, August 12, 1908. Accepting the Democratic Nomination for the Presidency.

Mr. Clayton and Gentlemen of the Notification Committee: I cannot accept the nomination which you officially tender, without first acknowledging my deep indebtedness to the Democratic party for the extraordinary honor which it has conferred upon me. Having twice before been a candidate for the Presidency, in campaigns which ended in defeat, a third nomination, the result of the free and voluntary act of the voters of the party, can only be explained by a substantial and undisputed growth in the principles and policies for which I, with a multitude of others, have contended. As these principles and policies have given me whatever political strength I possess, the action of the convention not only renews my faith in them, but strengthens my attachment to them.

## A Platform is Binding.

I shall, in the near future, prepare a more formal reply to your notification, and, in that letter of acceptance, will deal with the platform in detail. It is sufficient, at this time, to assure you that I am in hearty accord with both the letter and the spirit of the platform. I indorse it in whole and in part, and shall, if elected, regard its declarations as binding upon me. And, I may add, a platform is binding as to what it omits as well as to what it contains. According to the Democratic idea, the people think for themselves and select officials to carry out their wishes. The voters are the sovereigns; the officials are the servants, employed for a fixed time and at a stated salary to do what the sovereigns want done, and to do it in the way the sovereigns want it done. Platforms are entirely in harmony with this Democratic idea. A platform announces the party's position on the questions which are at issue; and an official is not at liberty to use the authority vested in him to urge personal views which have not been submitted to the voters for their approval. If one is nominated upon a platform which is not satisfactory to him, he must, if candid, either decline the nomination, or, in accepting it, propose an amended platform in lieu of the one adopted by the convention. No such situation, however, confronts your candidate, for the platform upon which I was nominated not only contains nothing from which I dissent, but it especially outlines all the remedial legislation which we can hope to secure during the next four years.

## Republican Challenge Accepted.

The distinguished statesman who received the Republican nomination for President said, in his notification speech:

"The strength of the Republican cause in the campaign at hand is the fact that we represent the policies essential to the reform of known abuses, to the continuance of liberty and true prosperity, and that we are determined, as our platform unequivocally declares, to maintain them and carry them on."

In the name of the Democratic party, I accept the challenge, and charge that the Republican party is responsible for all the abuses which now exist in the Federal Government, and that it is impotent to accomplish the reforms which are imperatively needed. Further, I cannot concur in the statement that the Republican platform unequivocally declares for the reforms that are necessary; on the contrary, I affirm that it openly and notoriously disappoints the hopes and expectations of reformers, whether those reformers be Republicans or Democrats. So far did the Republican convention fall short of its

duty that the Republican candidate felt it necessary to add to his platform in several important particulars, thus rebuking the leaders of the party, upon whose co-operation he must rely for the enactment of remedial legislation.

As I shall, in separate speeches, discuss the leading questions at issue, I shall at this time confine myself to the paramount question, and to the far-reaching purpose of our party, as that purpose is set forth in the platform.

### **Shall the People Rule?**

Our platform declares that the over-shadowing issue which manifests itself in all the questions now under discussion is "Shall the people rule?" No matter which way we turn, no matter to what subject we address ourselves, the same question confronts us: Shall the people control their own government, and use that government for the protection of their rights and for the promotion of their welfare? or shall the representatives of predatory wealth prey upon a defenseless public, while the offenders secure immunity from subservient officials whom they raise to power by unscrupulous methods? This is the issue raised by the "known abuses" to which Mr. Taft refers.

### **The President's Indictment Against the Party.**

In a message sent to Congress last January, President Roosevelt said: "The attacks by these great corporations on the administration's actions have been given a wide circulation throughout the country, in the newspapers and otherwise, by those writers and speakers who, consciously or unconsciously, act as the representative of predatory wealth—of the wealth accumulated on a giant scale by all forms of iniquity, ranging from the oppression of the wage-earners to unfair and unwholesome methods of crushing out competition, and to defrauding the public by stock-jobbing and the manipulation of securities. Certain wealthy men of this stamp, whose conduct should be abhorrent to every man of ordinary decent conscience, and who commit the hideous wrong of teaching our young men that phenomenal business success must ordinarily be based on dishonesty, have, during the last few months, made it apparent that they have banded together to work for a reaction. Their endeavor is to overthrow and discredit all who honestly administer the law, to prevent any additional legislation which would check and restrain them, and to secure, if possible, a freedom from all restraint which will permit every unscrupulous wrongdoer to do what he wishes unchecked, provided he has enough money." What an arraignment of the predatory interests!

Is the President's indictment true? And, if true, against whom was the indictment directed? Not against the Democratic party.

### **Mr. Taft Indorses the Indictment.**

Mr. Taft says that these evils have crept in during the last ten years. He declares that during this time some "prominent and influential members of the community, spurred by financial success and in their hurry for greater wealth, became unmindful of the common rules of business honesty and fidelity, and of the limitations imposed by law upon their actions;" and that "the revelations of the breaches of trusts, the disclosures as to rebates and discriminations by railroads, the accumulating evidence of the violation of the anti-trust laws by a number of corporations, and the over-issue of stocks and bonds of interstate railroads for the unlawful enriching of directors and for the purpose of concentrating the control of the railroads under one management"—all these, he charges, "quicken the conscience of the people and brought on a moral awakening."

During all this time, I beg to remind you, Republican officials presided in the executive department, filled the cabinet, dominated the Senate, controlled the House of Representatives and occupied most of the Federal judgeships. Four years ago the Republican platform boastfully declared that since 1860—



with the exception of two years—the Republican party had been in control of part or of all the branches of the Federal Government; that for two years only was the Democratic party in a position to either enact or repeal a law. Having drawn the salaries, having enjoyed the honors, having secured the prestige, let the Republican party accept the responsibility!

#### **Republican Party Responsible.**

Why were these "known abuses" permitted to develop? Why have they not been corrected? If existing laws are sufficient, why have they not been enforced? All of the executive machinery of the Federal Government is in the hands of the Republican party. Are new laws necessary? Why have they not been enacted? With a Republican President to recommend, with a Republican Senate and House to carry out his recommendations, why does the Republican candidate plead for further time in which to do what should have been done long ago? Can Mr. Taft promise to be more strenuous in the prosecution of wrong-doers than the present executive? Can he ask for a larger majority in the Senate than his party now has? Does he need more Republicans in the House of Representatives, or a Speaker with more unlimited authority?

#### **Why no Tariff Reform.**

The President's close friends have been promising for several years that he would attack the iniquities of the tariff. We have had intimation that Mr. Taft was restive under the demands of the highly protected industries. And yet the influence of the manufacturers, who have for twenty-five years contributed to the Republican campaign fund and who in return have framed the tariff schedules, has been sufficient to prevent tariff reform. As the present campaign approached, both the President and Mr. Taft declared in favor of tariff revision, but set the date of revision after the election. But the pressure brought to bear by the protected interests has been great enough to prevent any attempt at tariff reform before the election; and the reduction promised after the election is so hedged about with qualifying phrases that no one can estimate with accuracy the sum total of tariff reform to be expected in case of Republican success. If the past can be taken as a guide, the Republican party will be so obligated by campaign contributions from the beneficiaries of protection as to make that party powerless to bring to the country any material relief from the present tariff burdens.

#### **Why no Anti-Trust Legislation.**

A few years ago the Republican leaders in the House of Representatives were coerced by public opinion into the support of an anti-trust law which had the indorsement of the President, but the Senate refused even to consider the measure, and since that time no effort has been made by the dominant party to secure remedial legislation upon this subject.

#### **Why no Railroad Legislation?**

For ten years the Interstate Commerce Commission has been asking for an enlargement of its powers, that it might prevent rebates and discriminations, but a Republican Senate and a Republican House of Representatives were unmoved by its entreaties. In 1900 the Republican National Convention was urged to indorse the demand for railway legislation, but the platform was silent on the subject. Even in 1904 the convention gave no pledge to remedy these abuses. When the President finally asked for legislation he drew his inspiration from three Democratic National platforms and he received more cordial support from the Democrats than from the Republicans. The Republicans in the Senate deliberately defeated several amendments offered by Senator La Follette and supported by the Democrats—amendments embodying legislation asked by the Interstate Commerce Commission. One of these amendments authorized the ascertainment of the value of railroads. This

amendment was not only defeated by the Senate, but it was overwhelmingly rejected by the recent Republican National Convention, and the Republican candidate has sought to rescue his party from the disastrous results of this act by expressing himself, in a qualified way, in favor of ascertaining the value of the railroads.

#### **Overissues of Stocks and Bonds.**

Mr. Taft complains of the overissue of stocks and bonds of railroads "for the unlawful enriching of directors and for the purpose of concentrating the control of the railroads under one management," and the complaint is well founded. But with a President to point out the evil and a Republican Congress to correct it we find nothing done for the protection of the public. Why? My honorable opponent has, by his confession, relieved me of the necessity of furnishing proof; he admits the condition, and he cannot avoid the logical conclusion that must be drawn from the admission. There is no doubt whatever that a large majority of the voters of the Republican party recognize the deplorable situation which Mr. Taft describes; they recognize that the masses have had but little influence upon legislation or upon the administration of the government, and they are beginning to understand the cause. For a generation the Republican party has drawn its campaign funds from the beneficiaries of special legislation. Privileges have been pledged and granted in return for money contributed to debauch elections. What can be expected when official authority is turned over to the representatives of those who first furnish the sinews of war and then reimburse themselves out of the pockets of the taxpayers?

#### **Fasting in Wilderness Necessary.**

So long as the Republican party remains in power it is powerless to regenerate itself. It cannot attack wrongdoing in high places without disgracing many of its prominent members, and it, therefore, uses opiates instead of the surgeon's knife. Its malfactors construe each Republican victory as an endorsement of their conduct, and threaten the party with defeat if they are interfered with. Not until that party passes through a period of fasting in the wilderness will the Republican leaders learn to study public questions from the standpoint of the masses. Just as with individuals "the cares of this world and the deceitfulness of riches choke the truth," so in politics, when party leaders serve far away from home and are not in constant contact with the voters, continued party success blinds their eyes to the needs of the people and makes them deaf to the cry of distress.

#### **Publicity as to Campaign Contributions.**

An effort has been made to secure legislation requiring publicity as to campaign contributions and expenditures, but the Republican leaders, even in the face of an indignant public, refused to consent to a law which would compel honesty in elections. When the matter was brought up in the recent Republican National Convention the plank was repudiated by a vote of 880 to 94. Here, too, Mr. Taft has been driven to apologize for his convention and to declare himself in favor of a publicity law, and yet, if you will read what he says upon this subject, you will find that his promise falls far short of the requirements of the situation. He says:

"If I am elected President I shall urge upon Congress, with every hope of success, that a law be passed requiring the filing, in a federal office, of a statement of the contributions received by committees and candidates in elections for members of Congress, and in such other elections as are constitutionally within the control of Congress."

I shall not embarrass him by asking him upon what he bases his hope of success; it is certainly not on any encouragement he has received from Republican leaders. It is sufficient to say that if his hopes were realized—if, in spite of the adverse action of his convention, he should succeed in securing the enactment of

the very law which he favors, it would give but partial relief. He has read the Democratic platform; not only his language, but his evident alarm, indicates that he has read it carefully. He even had before him the action of the Democratic National Committee in interpreting and applying that platform, and yet he fails to say that he favors the publication of the contributions before the election. Of course, it satisfies a natural curiosity to find out how an election has been purchased, even when the knowledge comes too late to be of service, but why should the people be kept in darkness until the election is past? Why should the locking of the door be delayed until the horse is gone?

#### **An Election a Public Affair.**

An election is a public affair. The people, exercising the right to select their officials and to decide upon the policies to be pursued, proceed to their several polling places on election day and register their will. What excuse can be given for secrecy as to the influences at work? If a man, pecuniarily interested in "concentrating the control of the railroads in one management," subscribes a large sum to aid in carrying the election, why should his part in the campaign be concealed until he has put the officials under obligation to him? If a trust magnate contributes \$100,000 to elect political friends to office, with a view to preventing hostile legislation, why should that fact be concealed until his friends are securely seated in their official position?

This is not a new question; it is a question which has been agitated—a question which the Republican leaders fully understand—a question which the Republican candidate has studied, and yet he refuses to declare himself in favor of the legislation absolutely necessary, namely, legislation requiring publication before the election.

#### **Democratic Party Promises Publicity.**

How can the people hope to rule if they are not able to learn until after the election what the predatory interests are doing? The Democratic party meets the issue honestly and courageously. It says:

"We pledge the Democratic party to the enactment of a law prohibiting any corporation from contributing to a campaign fund, and any individual from contributing an amount above a reasonable maximum, and providing for the publication, before election, of all such contributions above a reasonable minimum."

The Democratic National Committee immediately proceeded to interpret and apply this plank, announcing that no contributions would be received from corporations, that no individual would be allowed to contribute more than \$10,000, and that all contributions above \$100 would be made public before the election—those received before October 15 to be made public on or before that day, those received afterward to be made public on the day when received, and no such contributions to be accepted within three days of the election. The expenditures are to be published after the election. Here is a plan which is complete and effective.

#### **Popular Election of Senators.**

Next to the corrupt use of money, the present method of electing United States Senators is most responsible for the obstruction of reforms. For one hundred years after the adoption of the Constitution the demand for the popular election of senators, while finding increased expression, did not become a dominant sentiment. A constitutional amendment had from time to time been suggested and the matter had been more or less discussed in a few of the States, but the movement had not reached a point where it manifested itself through congressional action. In the Fifty-second Congress, however, a resolution was reported from a House committee proposing the necessary constitutional amendment, and this resolution passed the House of Representatives by a vote which was practically unanimous. In the Fifty-third Congress a similar resolution



was reported to and adopted by the House of Representatives. Both the Fifty-second and Fifty-third Congresses were Democratic. The Republicans gained control of the House as a result of the election of 1894 and in the Fifty-fourth Congress the proposition died in committee. As time went on, however, the sentiment grew among the people until it forced a Republican Congress to follow the example set by the Democrats, and then another and another Republican Congress acted favorably. State after State has indorsed this reform, until nearly two-thirds of the States have recorded themselves in its favor. The United States Senate, however, impudently and arrogantly obstructs the passage of the resolution, notwithstanding the fact that the voters of the United States, by an overwhelming majority, demand it. And this refusal is the more significant when it is remembered that a number of senators owe their election to great corporate interests. Three Democratic National platforms—the platforms of 1900, 1904 and 1908—specifically call for a change in the Constitution which will put the election of senators in the hands of the voters, and the proposition has been indorsed by a number of the smaller parties, but no Republican National Convention has been willing to champion the cause of the people on this subject. The subject was ignored by the Republican National Convention in 1900; it was ignored in 1904, and the proposition was explicitly repudiated in 1908, for the recent Republican National Convention by a vote of 866 to 144 rejected the plank indorsing the popular election of senators—and this was done in the convention which nominated Mr. Taft, few delegates from his own State voting for the plank.

#### **Personal Inclination not Sufficient.**

In his notification speech the Republican candidate, speaking of the election of senators by the people says: "Personally, I am inclined to favor it, but it is hardly a party question." What is necessary to make this a party question? When the Democratic convention indorses a proposition by a unanimous vote, and the Republican convention rejects the proposition by a vote of seven to one, does it not become an issue between the parties? Mr. Taft cannot remove the question from the arena of politics by expressing a personal inclination toward the Democratic position. For several years he has been connected with the administration. What has he ever said or done to bring this question before the public? What enthusiasm has he shown in the reformation of the Senate? What influence could he exert in behalf of a reform which his party has openly and notoriously condemned in its convention and to which he is attached only by a belated expression of personal inclination?

#### **The Gateway to other Reforms.**

"Shall the people rule?" Every remedial measure of a national character must run the gantlet of the Senate. The President may personally incline toward a reform; the House may consent to it, but as long as the Senate obstructs the reform the people must wait. The President may heed a popular demand; the House may yield to public opinion, but as long as the Senate is defiant the rule of the people is defeated. The Democratic platform very properly describes the popular election of senators as "the gateway to other national reforms." Shall we open the gate, or shall we allow the exploiting interests to bar the way by the control of this branch of the federal legislature? Through a Democratic victory and through a Democratic victory only, can the people secure the popular election of senators. The smaller parties are unable to secure this reform; the Republican party, under its present leadership, is resolutely opposed to it; the Democratic party stands for it and has boldly demanded it. If I am elected to the Presidency, those who are elected upon the ticket with me will be, like myself, pledged to this reform, and I shall convene Congress in extraordinary session immediately after inauguration and ask, among other things, for the fulfillment of this platform pledge.

**House Rules Despotic.**

The third instrumentality employed to defeat the will of the people is found in the rules of the House of Representatives. Our platform points out that "the House of Representatives was designed by the fathers of the Constitution to be the popular branch of our government, responsive to the public will," and adds:

"The House of Representatives, as controlled in recent years by the Republican party, has ceased to be a deliberative and legislative body, responsive to the will of a majority of the members, but, has come under the absolute dominion of the Speaker, who has entire control of its deliberations and powers of legislation.

"We have observed with amazement the popular branch of our federal government helpless to obtain either the consideration or enactment of measures desired by a majority of its members."

This arraignment is fully justified. The reform Republicans in the House of Representatives, when in the minority in their own party, are as helpless to obtain a hearing or to secure a vote upon a measure as are the Democrats. In the recent session of the present Congress there was a considerable element in the Republican party favorable to remedial legislation; but a few leaders, in control of the organization, despotically suppressed these members, and thus forced a real majority in the House to submit to a well-organized minority. The Republican National Convention, instead of rebuking this attack upon popular government, eulogized Congress and nominated as the Republican candidate for Vice-President one of the men who shared in the responsibility for the coercion of the House. Our party demands that "the House of Representatives shall again become a deliberative body, controlled by a majority of the people's representatives, and not by the Speaker," and is pledged to adopt "such rules and regulations to govern the House of Representatives as will enable a majority of its members to direct its deliberations and control legislation."

"Shall the people rule?" They cannot do so unless they can control the House of Representatives, and through their representatives in the House give expression to their purposes and their desires. The Republican party is committed to the methods now in vogue in the House of Representatives; the Democratic party is pledged to such a revision of the rules as will bring the popular branch of the federal government into harmony with the ideas of those who framed our Constitution and founded our government.

**Other Issues will be Discussed Later.**

"Shall the people rule?" I repeat, is declared by our platform to be the overshadowing question, and as the campaign progresses I shall take occasion to discuss this question as it manifests itself in other issues; for whether we consider the tariff question, the trust question, the railroad question, the banking question, the labor question, the question of imperialism, the development of our waterways, or any other of the numerous problems which press for solution, we shall find that the real question involved in each is, whether the government shall remain a mere business asset of favor-seeking corporations or be an instrument in the hands of the people for the advancement of the common weal.

**Democratic Party has Earned Confidence.**

If the voters are satisfied with the record of the Republican party and with its management of public affairs we cannot reasonably ask for a change in administration; if, however, the voters feel that the people, as a whole, have too little influence in shaping the policies of the Government; if they feel that great combinations of capital have encroached upon the rights of the masses and employed the instrumentalities of government to secure an unfair share of the total wealth produced, then we have a right to expect a verdict against the Republican party and in favor of the Democratic party; for our party has risked

defeat—aye, suffered defeat—in its effort to arouse the conscience of the public and to bring about that very awakening to which Mr. Taft has referred.

Only those are worthy to be intrusted with leadership in a great cause who are willing to die for it, and the Democratic party has proven its worthiness by its refusal to purchase victory by delivering the people into the hands of those who have despoiled them. In this contest between Democracy on the one side and plutocracy on the other the Democratic party has taken its position on the side of equal rights, and invites the opposition of those who use politics to secure special privileges and governmental favoritism. Gauging the progress of the nation, not by the happiness, or wealth or refinement of a few, but "by the prosperity and advancement of the average man," the Democratic party charges the Republican party with being the promoter of present abuses, the opponent of necessary remedies and the only bulwark of private monopoly. The Democratic party affirms that in this campaign it is the only party, having a prospect of success, which stands for justice in government and for equity in the division of the fruits of industry.

#### **Democratic Party Defender of Honest Wealth.**

We may expect those who have committed larceny by law and purchased immunity with their political influence to attempt to raise false issues and to employ "the livery or Heaven" to conceal their evil purposes, but they can no longer deceive. The Democratic party is not the enemy of any legitimate industry or of honest accumulations. It is, on the contrary, a friend of industry and the steadfast protector of that wealth which represents a service to society. The Democratic party does not seek to annihilate all corporations; it simply asserts that as the Government creates corporations, it must retain the power to regulate and control them, and that it should not permit any corporation to convert itself into a monopoly. Surely we should have the co-operation of all legitimate corporations in our effort to protect business and industry from the odium which lawless combinations of capital will, if unchecked, cast upon them. Only by the separation of the good from the bad can the good be made secure.

#### **Not Revolution, but Reformation.**

The Democratic party seeks not revolution, but reformation, and I need hardly remind the student of history that cures are mildest when applied at once; that remedies increase in severity as their application is postponed. Blood poisoning may be stopped by the loss of a finger today; it may cost an arm tomorrow or a life the next day. So poison in the body politic cannot be removed too soon, for the evils produced by it increase with the lapse of time. That there are abuses which need to be remedied even the Republican candidate admits; that his party is unable to remedy them has been fully demonstrated during the last ten years. I have such confidence in the intelligence as well as the patriotism of the people, that I cannot doubt their readiness to accept the reasonable reforms which our party proposes, rather than permit the continued growth of existing abuses to hurry the country on to remedies more radical and more drastic.

#### **Our Party's Ideal.**

The platform of our party closes with a brief statement of the party's ideal. It favors "such" an administration of the government as will insure, as far as human wisdom can, that each citizen shall draw from society a reward commensurate with his contribution to the welfare of society."

Governments are good in proportion as they assure to each member of society, so far as governments can, a return commensurate with individual merit.

#### **The Divine Law of Rewards.**

There is a divine law of rewards. When the Creator gave us the earth, with its fruitful soil, the sunshine with its warmth



and the rains with their moisture. He proclaimed, as clearly as if His voice had thundered from the clouds, "Go work, and according to your industry and your intelligence, so shall be your reward." Only where might has overthrown, cunning undermined or government suspended this law, has a different law prevailed. To conform the government to this law ought to be the ambition of the statesman; and no party can have a higher mission than to make it a reality wherever governments can legitimately operate.

#### Justice to All.

Recognizing that I am indebted for my nomination to the rank and file of our party, and that my election must come, if it comes at all, from the unpurchased and unpurchasable suffrages of the American people, I promise, if intrusted with the responsibilities of this high office, to consecrate whatever ability I have to the one purpose of making this, in fact, a government in which the people rule—a government which will do justice to all, and offer to everyone the highest possible stimulus to great and persistent effort, by assuring to each the enjoyment of his just share of the proceeds of his toil, no matter in what part of the vineyard he labors, or to what occupation, profession or calling he devotes himself.

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Protection creates a home market, without which the cultivators of land in America would be but little better off than our aborigines.—Hon. J. S. Morrill.

The Republican party will continue to be a protectionist party and the American people a protectionist people. And that protection must apply to every section, every industry and every class.—Hon. James S. Sherman.

We face the future with our past and present as guarantors of our promises; and we are content to stand or to fall by the record which we have made and are making.—President Roosevelt's speech accepting 1904 nomination.

When in 1900 the Gold Standard was established by the Republican party, in spite of Democratic opposition, it completed and perfected its record as regards our National honor and party honor in meeting in full every financial obligation.—Hon. James S. Sherman.

We deal too much in the superlative of denunciation and blind our eyes to the good that is all about us. Deep down under all hastily formed public opinion are the sound judgment and sober common sense of millions of sturdy and reasonable and far-seeing Americans who believe in the strength of our institutions, in our ability to work out our problems, and always, in the last analysis, in our capacity for self-government.—Hon. George B. Cortelyou, at Urbana, Illinois, June 7, 1905.

The representative government that has served us well from 130 years has not been for Mr. Bryan sufficiently expressive of the will of the people. We must call upon fourteen million electors to legislate directly. Could any more burdensome or inefficient method be devised than this? I believe that the referendum under certain conditions and limitations in the subdivisions of a State on certain issues may be healthful and useful, but as applied to our national government it is entirely impracticable.—Hon. Wm. H. Taft, at Columbus, Ohio.

The influence of a free press must not be impaired, nor must the great body of American newspapers—among the noblest agencies of enlightenment and civilization—be judged by a few who have prostituted their high calling to ignoble uses.—Hon. George B. Cortelyou, at Urbana, Illinois, June 7, 1905.

The Democrats are a party having no solidarity, uniting elements that are as unmixable as oil and water, and when they come to make a government, should they ever be elected to power, the administration would become as nerveless as a man stricken with paralysis, because the radical difference between the elements necessary to make up the party would be so great as to produce perfect stagnation in legislative provision for the emergencies which might arise. The Democratic party to-day, as organized, is nothing but organized incapacity. Neither element of the party would have a sense of responsibility strong enough to overcome its antagonism to the principles upheld by the other faction were it to come into power.—Hon. Wm. H. Taft, at Montpelier, Vermont.

# STATISTICAL STATEMENTS.

## Prices 1880 to 1907.

The figures presented in this table are the annual average wholesale price of each article in the year named. They are based, for the earlier years, upon the Aldrich tables, and in the later years upon the quotations of the Labor Bureau of the Department of Commerce and Labor, and the annual averages are the result of the combination of a large number of quotations made at various periods during the years in question.

### Annual average of wholesale prices during calendar years.

Articles.	1880.	1890.	1900.	1903.	1907.
<b>Food, etc.:</b>	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.
Butter, creamery, extra.....lb..	0.2925	0.2276	0.2245	0.2318	0.2301
Coffee, Rio, fair and No. 7.....lb..	.1513	.1793	.0322	.0550	.0658
Flour, wheat.....bbl..	8.9090	5.1856	3.8423	4.3303	4.8155
Flour, rye.....bbl..	4.9880	3.3646	3.4250	3.1479	4.6021
<b>Fruit:</b>					
Apples, evaporated.....lb..	.1433	.1136	.0615	.0611	.0843
Currants.....lb..	.0593	.0478	.0720	.0476	.0703
Raisins, California, London layers.....box..	2.2875	2.3601	1.5108	1.4458	1.6271
Lard, prime.....lb..	.0750	.0633	.0690	.0377	.0920
<b>Meat:</b>					
Beef, fresh, native sides.....lb..		.0688	.0804	.0784	.0884
Salt, extra mess.....bbl..		6.9596	9.7538	9.9673	9.8173
Ham.....lb..	.0991	.0995	.1025	.1271	.1303
Pork, salt, mess.....bbl..	13.3100	12.1502	12.5422	16.6511	17.5634
Bacon.....lb..		.0603	.0752	.0359	.0954
<b>Molasses, New Orleans,</b>					
prime.....gal..	.5500	.3542	.4775	.3546	.4038
Rice.....lb..	.0725	.0905	.0548	.0566	.0534
Salt.....bbl..	.7500	.7921	1.0010	.6140	.7931
<b>Spices:</b>					
Nutmegs.....lb..	.8850	.6317	.2601	.2877	.1397
Pepper.....lb..	.1417	.1151	.1291	.1239	.0694
Starch, pure.....lb..	.6343	.0546	.0500	.0507	.0390
<b>Sugar:</b>					
96° centrifugal.....lb..	.0876	.0546	.04572	.03720	.03754
Refined, granulated.....lb..	.0988	.06168	.05332	.04641	.4651
Tallow.....lb..	.0672	.0400	.0185	.0510	.0621
<b>Farm products:</b>					
Wheat, cash.....bush..		.8933	.7040	.78955	.9073
Wheat, No. 2, red winter.....bush..		.983	.804	.853	.963
Wheat, contract grades cash.....bush..		.8933	.7040	.7845	
Corn, No. 2, cash.....bush..		.3750	.3811	.4903	.5280
Oats, cash.....bush..		.3196	.2271	.3511	.4501
Rye, No. 2, cash.....bush..		.5147	.5177	.5176	.7688
Barley, by sample.....bush..		.5632	.4845	.5494	.7663
Flaxseed, No. 1.....bush..		1.3967	1.6223	1.0471	1.1806
<b>Cattle:</b>					
Steers, choice to extra 100 lbs..		4.8697	5.7827	5.5678	6.5442
Steers, good to choice 100 lbs..		4.1375	5.3938	5.0615	5.8120
<b>Hogs:</b>					
Heavy.....100 lbs..		3.9534	5.0815	6.0572	6.0800
Light.....100 lbs..		3.9260	5.1135	6.0541	6.2163
<b>Sheep:</b>					
Native.....100 lbs..		4.5284	4.1236	3.7101	4.8962
Western.....100 lbs..		4.6844	4.5207	3.8760	4.8835
Hides, green, salted, packers' heavy native steers.....lb..		.0933	.1194	.1169	.1455
Hay, timothy, No. 1.....ton..		9.9052	11.5673	12.4279	16.9387
Hops, New York State, choice.....lb..		.2621	.1483	.2825	.1733
Cotton, upland, middling.....lb..	.12267	.11089	.09609	.11225	.11879
<b>Wool:</b>					
Ohio medium fleece, scoured.....lb..	.8375	.6143	.5296	.4658	.5158
Ohio, fine fleeced, scoured.....lb..	1.0275	.7153	.6594	.6546	.7181
<b>Clothes and clothing:</b>					
Bags, 2-bush., Amoskeag each..	.1931	.1594	.1575	.1458	.1938
<b>Boots and shoes:</b>					
Men's brogans.....pair..	1.3000	1.0500	.9375	.9250	1.2720
Men's split boots.....doz. pairs..	21.500	17.000	18.000	18.500	26.1667
Women's solid grain shoes.....pair..	.9500	.8500	.9042	88.75	1.2033
Cable, Cocheo prints.....yd..	.0762	.0650	.6525	.6594	

## Annual average of wholesale prices—Continued.

Articles.	1880.	1890.	1900.	1903.	1907.
Carpets:	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.
Ingrain, 2-ply, Lowell.....yd.	.8767	.5160	.4920	.5136	.5760
Wilton, five-frame Bigelow.yd.	2.6750	1.9200	1.8720	2.0080	2.28
Cotton thread, 6-cord, 200 yards, J. & P. Coats.....spool.	.041250	.0315	.0372	.0372	.041813
Denims, Amoskeag.....yd.	.1469	.1175	.1073	.1127	.1381
Drillings, Stark A.....yd.	.0806	.0640	.0542	.0581	.0782
Glenghams, Amoskeag.....yd.	.0381	.0625	.0515	.0550	.0658
Print cloths, 28-inch, 64 by 64.....yd.	.0431	.0334	.0308	.0321	.047512
Shirtings, bleached, 4-4 fruit of loom.....yd.	.1621	.0845	.0753	.0767	.1117
Shirtings, bleached, 4-4 Lonsdale.....yd.	.0950	.0845	.0731	.0755	.1025
Tickings, Amoskeag, A. C. A.....yd.	.1588	.1200	.1084	.1104	.1373
Women's dress goods:					
Cotton warp alapaca, 22 in. Hamilton.....yd.	.1067	.0735	.0711	.0690	---c---
Cotton warp cashmere, 22 in. Atlantic F.....yd.	-----	.1813	.1642	.1679	.2234
Cotton warp cashmere, 27 in. Hamilton.....yd.	.1450	.0980	.0882	.0894	---c---
Cashmere, all wool, Atlantic J.....yd.	-----	.3479	.3459	.3320	.3920
Fuel and lighting:					
Coal, anthracite stove.....ton.	3.9625	3.7108	3.9151	4.8245	4.8215
Bituminous.....ton.	5.1125	2.9875	2.9083	4.4875	3.2375
Metals and implements:					
Nails, cut.....100 lbs.	-----	2.2875	2.2500	2.1958	2.1625
Wire.....100 lbs.	-----	2.9646	2.6333	2.0750	2.1167
Barbed wire, galvanized.....100 lbs.	-----	3.5665	3.3942	2.7375	2.6342
Pig iron, No. 1 foundry.....ton.	28.500	18.4083	19.9800	19.9158	23.8950
Steel rails.....ton.	67.5000	31.7792	32.2875	28.0000	28.0000
Bar iron, best refined (Philadelphia).....lb.	-----	.0205	.0196	.0200	.0211
Copper, sheet.....lb.	.2900	.2275	.2067	.1917	.2792
Quicksilver.....lb.	.4138	.7300	.6769	.6342	.5129
Lead, pig.....lb.	.0172	.0440	.0445	.0428	.0552
Lead pipe.....100 lbs.	6.5825	5.4000	5.1203	5.1958	6.7030
Saws, hand, Disston's.....doz.	14.040	14.400	12.600	12.600	12.95
Shovels, Ames' No. 2.....doz.	10.0300	7.8700	9.1200	8.0200	7.84
Spelter (Western).....lb.	.0575	.0554	.0442	.0558	.0617
Lumber and building materials:					
plain.....M. feet.	33.0000	37.8750	40.8333	44.8333	55.2083
Pine boards, white.....M. feet.	37.0000	44.0833	57.5000	80.0000	---c---
Shingles, white pine.....M.	2.3750	3.8417	4.0000	a3.6500	---c---
Doors, pine.....each.	1.8750	1.3750	1.5900	1.7292	1.8842
Lime, common.....bbl.	.8875	.9792	.6833	.7875	.9492
Brick, common domestic.....M.	7.0000	6.5625	5.2500	5.9063	6.1563
Cement Rosendale.....bbl.	1.0500	1.0542	1.0167	.8896	.95
Rope, manila.....lb.	.1250	.1494	.1320	b.1146	.1290
Putty.....lb.	.0306	.0175	.0190	.0140	.0120
Carbonate of lead in oil.....lb.	.0770	.0638	.0625	.0615	.0697
Turpentine, spirits of.....gal.	.3800	.4080	.4771	.5715	.6114
Shingles, cypress, d.....M.	-----	3.35	2.85	2.5667	4.2250
Drugs and chemicals:					
Alcohol.....gal.	2.1025	2.0717	2.3867	2.3958	2.5229
Brimstone, crude.....ton.	27.7500	21.1458	21.1458	22.3333	21.4983
Glycerin, refined.....lb.	.1925	.1767	.1515	.1446	.1383
Linseed oil, domestic, raw.....gal.	.7025	.6158	.6292	.4167	.4342
Opium, natural (cases).....lb.	6.6875	2.6208	3.2000	3.0813	4.9458
Quinine.....oz.	2.9500	.3275	.3325	.2525	.1775
Sulphuric acid.....lb.	.0100	.0088	.0120	.0127	.0100
Furniture:					
Chairs, bedroom, maple.....doz.	8.000	7.000	8.000	7.917	10.0000
Chairs, kitchen.....doz.	4.5000	4.2000	5.2080	5.0000	5.7917
Tables, kitchen.....doz.	15.000	15.000	15.600	15.600	18.00
Glassware:					
Tumblers, 1/3 pint.....doz.	-----	.1800	.1800	.1767	.1500
Pails, wooden.....doz.	1.4500	1.5917	1.4917	1.5875	1.9708
Tubs, wooden.....nest of 3.	1.4000	1.6500	1.4417	1.4500	1.60
Miscellaneous:					
Rubber, Para.....lb.	.8500	.8379	.9817	.9054	1.0633

a Michigan white pine 16 inches long, XXXX.      b 7-16 inch.      c Not stated.  
d Prices at Southern mills.

The attitude of the government toward combinations of capital for the reduction in the cost of production should be exactly the same as toward the combinations of labor for the purpose of bettering the conditions of the wage-worker and of increasing his share of the joint profit of capital and labor. They are both to be encouraged in every way so long as they conduct themselves within the law.—Hon. Wm. H. Taft, at Columbus, Ohio.



# **FOREIGN COMMERCE UNDER THE McKINLEY, WILSON AND DINGLEY TARIFF LAWS.**

## *Values of Imports and Exports of Merchandise under the McKinley Tariff Act.*

	Imports.	Exports domestic and foreign.
October 1, 1890, to September 30, 1891-----	\$824,716,842	\$923,362,015
October 1, 1891, to September 30, 1892-----	837,280,798	908,226,775
October 1, 1892, to September 30, 1893-----	830,150,318	876,332,434
October 1, 1893, to August 31, 1894a-----	603,865,896	790,706,509

a Eleven months.

## *Values of Imports and Exports of Merchandise under the Wilson Tariff Act.*

September 1, 1894, to August 31, 1895-----	\$759,108,416	\$806,670,059
September 1, 1895, to July 31, 1896-----	687,605,637	837,802,519
August 1, 1896, to July 31, 1897-----	766,296,619	1,051,379,735

## *Values of Imports and Exports of Merchandise under the Dingley Tariff Act.*

August 1, 1897, to July 31, 1898-----	\$613,359,276	\$1,232,903,411
August 1, 1898, to July 31, 1899-----	706,265,852	1,249,424,423
August 1, 1899, to July 31, 1900-----	853,119,132	1,403,009,719
August 1, 1900, to July 31, 1901-----	832,504,908	1,496,764,694
August 1, 1901, to July 31, 1902-----	909,336,387	1,361,057,518
August 1, 1902, to July 31, 1903-----	1,028,759,186	1,423,164,317
August 1, 1903, to July 31, 1904-----	980,093,491	1,454,237,485
August 1, 1904, to July 31, 1905-----	1,130,831,734	1,511,268,608
August 1, 1905, to July 31, 1906-----	1,244,642,289	1,747,627,353
August 1, 1906, to July 31, 1907-----	1,456,450,839	1,897,707,339
August 1, 1907, to June 30, 1908-----	1,069,719,899	1,732,223,811

## *Excess of Exports of Merchandise under McKinley Act.*

	Merchandise.
October 1, 1890, to September 30, 1891-----	\$98,645,173
October 1, 1891, to September 30, 1892-----	160,945,977
October 1, 1892, to September 30, 1893-----	46,182,116
October 1, 1893, to August 31, 1894-----	186,840,618

## *Excess of Exports of Merchandise under Wilson Act.*

September 1, 1894, to August 31, 1895-----	\$47,661,684
September 1, 1895, to July 31, 1896-----	150,106,882
August 1, 1896, to July 31, 1897-----	283,038,116

## *Excess of Exports of Merchandise under Dingley Act.*

August 1, 1897, to July 31, 1898-----	\$619,544,185
August 1, 1898, to July 31, 1899-----	543,158,571
August 1, 1899, to July 31, 1900-----	546,510,587
August 1, 1900, to July 31, 1901-----	661,169,786
August 1, 1901, to July 31, 1902-----	451,671,131
August 1, 1902, to July 31, 1903-----	394,405,131
August 1, 1903, to July 31, 1904-----	474,143,994
August 1, 1904, to July 31, 1905-----	410,436,874
August 1, 1905, to July 31, 1906-----	502,985,004
August 1, 1906, to July 31, 1907-----	441,256,479
August 1, 1907, to June 30, 1908-----	662,803,912

## *Annual Average Excess of Exports of Merchandise.*

Under McKinley Act of 1890-----	\$123,158,470
Under Wilson Act of 1894-----	161,917,319
Under Dingley Act of 1897-----	519,133,888

*Table of Annual Averages of National Financial and Industrial Conditions during the administrations of Presidents Cleveland, McKinley, and Roosevelt.*

[Annual average for periods named.]

[Compiled from the Statistical Abstract of the United States.]

	1892-1896	1897-1900	1901-1903	1904-1907
Interest-bearing debt, million dollars	696	941	944	895
Annual interest charge	27.9	37.5	27.6	23.3
Annual interest per capita	\$0.41	\$0.48	\$0.35	\$0.28
Treasury receipts, net ordinary, millions	331	459	570	586
Government expenditures, ordinary, millions	365	475	496	574
Money in circulation, millions	1,592	1,859	2,264	2,654
Money in circulation, per capita	\$22.29	\$25.13	\$28.61	\$31.60
Bank clearings, total, millions	51,700	73,300	114,900	138,823
Bank clearings, New York, millions	29,066	45,131	74,202	87,655
Bank deposits, total, millions	4,737	6,223	9,139	11,667
Bank deposits, savings, millions	1,813	2,169	2,760	3,374
Depositors in savings banks, millions	4.9	5.6	6.8	7.9
Industrial life insurance in force, millions	793	1,217	1,723	2,299
Life insurance, total, in force, millions	5,635	7,394	10,051	13,206
Imports, total, millions	758	732	917	1,192
Exports, total, millions	856	1,251	1,430	1,651
Excess of exports over imports, millions	98	519	513	459
Exports of manufactures, millions	231	275	462	640
Imports of raw materials for manufacturing, millions	179	218	294	400
Gold: Excess imports over exports, millions	*50	50	4.5	99
Exports to Asia and Oceania, millions	34	79	93	132
Crude rubber imports, lbs., millions	38	45	53	65
Pig tin imports, lbs., millions	42	63	80	88
Tin plate imports, lbs., millions	494	164	142	138
Coal, tons, millions	165	210	270	338
Pig iron, tons, millions	7.96	12.21	17.27	22.64
Steel rails, tons, millions	1.27	1.75	2.73	3.15
Steel, total tons, millions	4.96	9.23	14.21	29.09
Tin plate, manufactured, lbs., millions	226	693	857	1,141
Minerals, total value, millions	575	731	1,319	1,629
Cotton, total value, millions	268	300	334	584
Beet sugar, 1,000 tons	26	54	170	320
Wool, lbs., millions	271	272	302	296
Raw silk, imports, lbs., millions	8.02	11.09	13.30	18.79
Cotton used in manufacturing, bales, millions	2.51	3.38	3.85	4.71
Animals on farms, total value, millions	2,050	1,942	3,034	3,526
Horses on farms, total value, millions	709	512	1,005	1,606
Cattle on farms, total value, millions	879	1,060	1,325	1,374
Sheep on farms, total value, millions	87	97	161	180
Net earnings of railways, millions	33	416	540	705
Dividends paid by railways, millions	33	107	163	227
Passengers carried, millions	553	535	650	760
Freight carried 1 mile, billion tons	89	100	155	158
Railways placed under receivership, miles	11,474	1,697	193	1,214
Railways sold under foreclosure, miles	7,951	5,125	795	395
Railways built, miles	1,900	2,891	4,439	5,100
Average receipts per ton mile	\$0.85	\$0.76	\$0.75	\$0.73
Tonnage of vessels passing through Sault Ste. Marie Canal, millions	14	20	28	36
Failures, liabilities of, millions	250	128	128	141
Post office receipts, millions	77	92	122	162
Wheat, average price of, per bushel	\$0.70	87.6	83.1	99.1
Corn, per bushel	44.4	39.0	45.5	59.7
Oats, per bushel	31.3	27.5	40.8	41.1
Homestead entries, number	6,174	6,328	14,241	12,944

\*Excess exports.

The general tariff policy to which, without regard to changes in detail, I believe this country to be irrevocably committed is fundamentally based upon ample recognition of the difference in labor cost here and abroad.—President Roosevelt at New York, November 11, 1902.

*Value of exports of principal farm products from the United States under three tariffs.*

[Compiled from reports of Bureau of Statistics.]

	McKinley law, fiscal year 1894.	Wilson law, calendar year 1895.	Dingley law, fiscal year 1896.	Dingley law, 1907.
Cotton	\$210,869,889	\$189,890,865	\$210,889,776	\$421,217,797
Breadstuffs (all)	168,777,299	155,566,871	278,669,660	181,120,702
Meat and dairy products (all)	145,270,648	122,436,927	175,508,008	262,892,598
Flour	69,271,770	50,292,888	75,827,510	63,175,397
Wheat	59,407,041	40,938,547	104,208,169	69,814,338
Lard	40,089,899	37,543,788	48,208,495	87,497,080
Bacon	35,338,848	27,411,944	41,657,087	28,470,872
Animals (all)	35,718,641	28,791,114	37,850,916	41,908,030
Cattle	33,461,922	26,997,701	36,516,888	84,577,392
Corn	30,211,154	27,907,766	68,977,448	44,361,816
Beef	28,498,859	25,741,760	29,720,258	81,831,263
Oil cake	8,867,256	7,851,248	14,548,765	26,415,627
Seeds	7,942,221	1,822,994	5,679,399	10,094,609
Cheese	7,180,331	3,401,117	3,316,049	2,612,626
Pork	5,150,868	4,480,155	10,639,727	16,598,404
Clover seed	4,540,351	1,126,618	1,264,932	420,164
Hides	3,972,494	2,835,947	829,117	1,760,032
Hops	3,814,232	1,745,945	3,626,144	3,681,972
Tallow	2,768,184	1,297,350	4,367,356	7,192,688
Flaxseed	2,426,354	31,978	2,815,449	7,990,368
Barley	2,379,714	1,465,088	1,875,274	4,556,295
Sugar and molasses	1,718,668	1,800,993	2,850,718	3,179,619
Oats	2,027,934	589,825	9,787,540	1,670,831
Vegetables	1,744,462	1,347,482	2,789,400	4,607,853
Hay	890,854	761,846	853,992	976,287
Broom corn	210,748	179,856	185,902	268,812
Rye	128,582	724	5,938,078	562,016
Tobacco, unmi'd.	24,985,234	24,707,563	25,487,218	23,377,392
Fruits and nuts	2,424,239	5,450,872	7,897,485	17,838,432
Cotton seed oil	6,608,465	6,429,888	12,677,519	17,074,403

*Conditions in States carried by McKinley and Bryan, respectively, in 1900.*

	McKinley States.		Bryan States.	
		Per cent of total.		Per cent of total.
Area square miles	1,320,760	51.3	1,334,209	43.2
Population	49,890,585	63.2	28,216,640	38.8
Illiterate native white population 10 years old and over	569,484	3	1,270,043	69
School expenditures in 1900	\$189,246,785	89	\$63,512,434	15
Assessed value of real estate	\$21,595,538,094	84.1	\$4,076,900,871	16.9
Assessed value of personal property	\$12,693,680,997	77	\$8,729,310,055	23
Value of farm lands, including buildings, etc.	\$6,036,998,020	74	\$2,122,040,651	26
Value of farm products 1899	\$8,137,963,875	67.3	\$1,487,964,093	22.2
Total value of manufactures in 1900	\$11,274,824,602	87.2	\$1,619,647,187	12.3
Wages and salaries paid in manufacturing in 1900	\$2,392,173,372	22.3	\$317,067,517	11.7
Value of product of mines, oil and gas wells, etc.	\$516,581,477	79.2	\$161,853,006	20.8
Savings banks deposits in 1900	\$2,486,212,750	99.5	\$12,913,792	0.5
Number of depositors in savings banks	5,826,009	95.9	67,762	1.1

Neither our nation nor any other can stand the ruinous policy of readjusting its business to radical changes in the tariff at short intervals.—President Roosevelt at Logansport, Ind., September 28, 1902.

Every one who knows anything about the management of railroads knows that there has been a revolution in respect to their obedience to the law. No longer are special privileges granted to the few—no longer are secret rebates extended to build up the monopoly of the trusts. The railroads are operating within the law, and the railroad directors and officers and stockholders ought to rise up and call blessed the men who are responsible for the passage of the Rate bill.—Hon. Wm. M. Taft, at Kansas City, Mo.



## Clearing-house returns of the United States.

[From the Statistical Abstract of the United States.]

Year.	New York clearing house.	Clearing houses of the United States.
1886	\$33,374,682,216	\$48,211,643,771
1887	34,872,848,786	52,126,704,488
1888	30,863,686,609	48,750,886,813
1889	34,796,465,529	53,501,411,519
1890	37,660,686,572	58,845,274,505
1891	34,053,698,770	57,298,737,938
1892	36,279,905,236	60,883,572,438
1893†	34,421,379,870	58,880,682,455
1894†	24,230,145,368	45,028,496,746
1895†	28,264,379,126	50,975,155,046
1896†	29,350,894,884	51,935,651,733
1897	31,337,760,948	54,179,545,030
1898	39,853,413,948	65,924,820,769
1899	57,368,230,771	88,828,672,533
1900	51,964,588,564	84,582,450,081
1901	77,020,672,494	114,819,792,086
1902	74,753,189,436	116,021,618,003
1903	70,833,655,940	113,963,298,973
1904	59,672,796,804	102,356,435,047
1905	91,879,318,369	140,592,087,616
1906	103,751,100,091	157,681,259,999
1907	95,315,421,238	154,632,515,258

†Democratic and low tariff years.

## Deposits in banks of all kinds in the various States, 1892, 1896, 1903 and 1907.

[From Official Reports of the Comptroller of the Currency.]

States.	1892.	1896.	1903.	1907.
Maine	\$65,850,798	\$75,804,424	\$112,447,981	\$141,477,154
New Hampshire	80,435,557	71,921,727	78,453,488	99,047,933
Vermont	33,748,004	40,572,077	56,386,990	71,710,440
Massachusetts	616,598,531	705,759,418	938,627,298	1,121,038,643
Rhode Island	99,066,388	110,535,846	155,644,733	198,307,824
Connecticut	165,415,581	188,712,003	264,131,827	327,644,301
New York	1,417,556,006	1,604,236,105	2,861,024,291	3,684,312,192
New Jersey	98,891,294	115,533,033	254,960,170	371,304,160
Pennsylvania	423,548,016	459,041,818	1,011,917,132	1,284,624,823
Delaware	10,121,401	7,019,958	19,592,430	25,147,571
Maryland	83,219,217	87,351,355	144,703,712	180,957,508
District of Columbia	15,670,372	18,677,413	37,916,326	50,779,345
Virginia	29,693,509	28,243,822	59,993,002	102,765,211
West Virginia	11,037,899	17,745,571	50,387,589	84,182,847
North Carolina	8,461,372	9,722,451	28,224,670	54,780,972
South Carolina	9,849,188	9,890,679	16,584,452	41,954,535
Georgia	15,363,576	10,952,349	43,038,919	78,082,130
Florida	5,740,494	5,581,365	16,535,101	34,905,043
Alabama	7,661,424	6,856,065	19,963,480	54,701,372
Mississippi	7,093,530	8,908,660	29,174,325	47,765,622
Louisiana	26,308,585	25,306,751	63,450,271	93,272,311
Texas	34,120,225	31,747,215	80,389,641	178,771,888
Arkansas	4,563,594	3,555,383	14,484,572	27,095,411
Kentucky	49,603,578	41,502,033	68,501,184	115,516,514
Tennessee	24,543,584	21,722,670	62,183,036	94,685,356
Ohio	175,952,224	174,954,981	448,120,819	642,190,577
Indiana	54,206,771	52,386,403	141,601,752	231,652,032
Illinois	226,801,889	213,798,711	522,889,978	767,156,586
Michigan	107,704,951	103,670,827	218,432,300	301,921,708
Wisconsin	79,738,823	68,863,503	156,140,971	218,707,334
Minnesota	76,795,498	68,494,642	135,564,105	203,826,720
Iowa	85,460,606	78,439,707	211,033,378	300,895,924
Missouri	117,478,165	117,150,075	298,747,005	370,526,166
North Dakota	8,278,548	7,032,369	22,147,222	41,977,114
South Dakota	7,551,266	7,216,612	27,801,725	52,833,698
Nebraska	43,770,311	30,895,894	80,565,404	136,753,097
Kansas	38,514,219	30,529,487	84,055,110	138,556,276
Montana	16,515,284	16,800,929	32,023,515	45,587,516
Wyoming	3,167,147	2,650,366	7,821,629	13,876,537
Colorado	33,827,434	29,966,835	69,739,278	103,309,307
New Mexico	3,104,956	2,311,296	7,249,032	13,591,935
Oklahoma	723,968	755,519	18,677,080	36,470,609
Indian Territory	309,119	704,202	8,423,629	21,222,158
Washington	17,807,584	9,228,848	53,242,953	87,427,578
Oregon	12,647,373	9,262,021	26,039,463	61,992,594
California	138,094,954	202,874,270	406,532,343	619,099,315
Idaho	2,096,700	1,967,292	7,849,030	24,378,494
Utah	9,213,285	6,366,103	33,526,202	44,951,688
Nevada	112,320	579,731	4,107,492	9,604,349
Arizona	758,212	1,548,074	8,458,306	17,770,107
Alaska			893,913	2,759,640
Total	\$240,870,488	\$231,828,339	\$540,649,702	13,077,330,466

Aggregate, United States only, \$9,530,429,252.

Annual increase in individual deposits, 1896-1903, \$657,000,000.

Annual increase in individual deposits, 1896-1903, \$657,000,000.

**Value of the Principal Farm Crops of the United States in 1889 and 1907 Compared with 1895—Farm Value of Ten Principal Crops Increased More Than \$1,000,000,000 Since 1895.**

This table shows the value of the principal farm crops of the United States in 1895, 1899, and 1907.

The figures are from the Department of Agriculture, except those of flaxseed.

Crop.	1895.		1899		1907.	
	Total value.	Value per unit. a	Total value.	Value per unit. a	Total value.	Value per unit. a
Corn -----	\$544,985,534	\$0.253	\$629,210,110	\$0.303	\$1,337,000,000	\$0.516
Wheat -----	237,938,998	.509	319,545,259	.584	554,000,000	.874
Oats -----	163,655,068	.199	198,167,975	.249	335,000,000	.443
Rye -----	11,964,826	.440	12,214,118	.510	23,000,000	.731
Barley -----	29,312,413	.337	29,594,234	.403	102,000,000	.666
Potatoes -----	78,984,901	.266	89,828,832	.390	184,000,000	.617
Cotton -----	298,358,852	.076	576,556,253	.070	578,000,000	.104
Hay -----	393,185,615	8.35	411,926,187	7.27	744,000,000	11.68
Tobacco -----	35,574,220	.069	57,000,000	.090	76,000,000	.109
Flaxseed -----	12,000,000	.750	20,000,000	1.25	25,000,000	.956
Total -----	1,800,960,427	-----	2,143,542,988	-----	3,958,000,000	-----

a Corn, wheat, oats, rye, barley, potatoes, and flaxseed, bushels; hay, ton; cotton and tobacco, pounds.

**Production, farm value, and value per bushel of corn, wheat, and oats, 1885 to 1907.**

Year.	Corn.		Wheat.		Oats.	
	Total.		Total.		Total.	
	Production	Farm value per bushel Dec. 1.	Production.	Farm value per bushel Dec. 1.	Production.	Farm value per bushel Dec. 1.
	Bushels.	Cents.	Bushels.	Cents.	Bushels.	Cents.
1885-----	1,936,176,000	32.8	357,112,000	77.1	629,409,000	28.5
1886-----	1,665,441,000	36.6	457,218,000	68.7	624,131,000	29.8
1887-----	1,456,161,000	44.4	456,329,000	68.1	659,618,000	30.4
1888-----	1,967,790,000	34.1	415,868,000	92.6	701,735,000	27.8
1889-----	2,112,892,000	28.3	490,560,000	69.8	751,515,000	22.9
1890-----	1,489,970,000	50.6	399,262,000	83.8	523,621,000	42.4
1891-----	2,060,154,000	40.6	611,780,000	83.9	738,394,000	31.5
1892-----	1,628,464,000	39.4	515,949,000	62.4	661,035,000	31.7
1893-----	1,619,496,131	36.5	396,131,725	53.8	638,854,850	29.4
1894-----	1,212,770,052	45.7	460,267,416	49.1	662,036,928	32.4
1895-----	2,151,138,580	25.3	467,102,947	50.9	824,443,537	19.9
1896-----	2,283,875,165	21.5	427,634,346	72.6	707,346,404	18.7
1897-----	1,902,967,933	26.3	530,149,168	80.8	698,767,800	21.2
1898-----	1,924,184,660	28.7	675,148,705	58.2	730,906,643	25.5
1899-----	2,078,143,933	30.3	547,308,846	58.4	796,177,713	24.9
1900-----	2,105,102,516	35.7	522,229,505	61.9	809,125,989	25.8
1901-----	1,522,519,891	60.5	748,460,218	62.4	736,808,724	39.9
1902-----	2,523,648,312	40.3	670,063,008	63.0	987,812,712	30.7
1903-----	2,244,176,925	42.5	637,821,835	69.5	784,094,199	34.1
1904-----	2,467,480,934	44.1	552,399,517	92.4	894,505,552	31.3
1905-----	2,707,993,540	41.2	692,979,489	74.8	953,216,197	29.1
1906-----	2,937,416,091	39.9	735,260,970	66.7	961,904,522	31.7
1907-----	2,592,320,000	51.6	634,087,000	87.4	754,443,000	44.3

If we assume control over a people merely in the spirit of conquest and merely to extend our control and merely from the lust of power, then we may be properly denounced as imperialists; but if we assume control over a people for the benefit of that people and with the purpose of developing them to a self-governing capacity, and with the intention of giving them the right to become independent when they shall show themselves fit, then the charge that we are imperialists is utterly without foundation.—Hon. Wm. M. Taft, at Cleveland, Ohio.

*Live stock and dressed meats, Chicago to New York—Average freight rates, in cents, per 100 pounds.*

Year.	Cattle.	Hogs.	Sheep	Horses and mules.	Dressed beef.	Dressed hogs.	
						Refrigerator cars.	Common cars.
1880	55	43	65	60	88		
1881	35	31	61	60	56		
1882	36	29	53	60	57		
1883	40	32	50	60	64		
1884	31	28	44	60	51		
1885	31	26	43	60	54		
1886	33	30	42	60	61		
1887	33	32	40	60	62	59	54
1888	22	26	31	60	46	46	44
1889	25	30	30	60	47	47	45
1890	23	28	30	60	39	39	39
1891	27	30	30	60	45	45	45
1892	28	28	30	60	45	45	45
1893	28	20	30	60	45	45	45
1894	28	30	30	60	45	45	45
1895	28	30	30	60	45	45	45
1896	28	30	30	60	45	45	45
1897	28	30	30	60	45	45	45
1898	28	30	30	60	45	45	45
1899	25	25	25	60	40	40	40
1900	28	30	30	60	45	45	45
1901	28	30	30	60	42.9	42.9	42.9
1902	28	30	30	60	41.2	41.2	41.2
1903	28	30	30	60	45	45	45
1904	23	30	30	60	45	45	45
1905	28	30	30	60	45	45	45
1906	28	30	30	60	45	45	45
1907	28	30	30	60	45	45	45

*Relative conditions of prosperity in the manufacturing and non-manufacturing sections of the United States, respectively.\**

[From Census of 1900.]

	Manufacturing section.	Other States.
Per cent of total population of United States	50.9	49.1
Per cent of total area of United States	14.1	85.9
Gross value of manufactures in 1900	\$10,021,713,461	\$2,988,318,053
Per cent of total manufactures produced in section	77	23
Salaries and wages paid in manufactures in 1900	\$2,194,986,683	\$536,471,656
Number of persons employed in manufactures in 1900	4,437,714	1,273,917
Average value per acre of all farm lands	\$24.07	\$12.73
Average value per acre of all lands and buildings	\$32.50	\$14.85
Average value per acre of land (improved only) and buildings	\$58.00	\$31.65
Average value of buildings per improved acre	\$15.25	\$5.54
Average value of implements owned per improved acre	\$2.54	\$1.47
Average value per head of milch cows	\$33.62	\$27.46
Average value per head of horses	\$60.87	\$43.32
Average value of all farm products, per improved acre	\$141.00	\$101.40
Average value of farm products, per person engaged	\$619.25	\$394.50
Deposits in savings banks, total	\$2,200,439,838	\$919,108,047
Deposits in savings banks, per capita	\$56.90	\$6.67
Deposits in all banks, total	\$5,949,984,845	\$1,384,666,895
Deposits in all banks, per capita	\$153.30	\$37.10
Bank clearings, total	\$78,356,970,422	\$3,225,479,659
Bank clearings, average per capita	\$1,973.50	\$220.40
Banking resources, total	\$5,613,200,000	\$2,167,500,000
Banking resources, average per capita	\$222.35	\$58.10
Real and personal property, assessed valuation	\$23,445,809,893	\$10,328,667,238
Real and personal property, per capita	\$603.25	\$278.50
Salaries paid teachers in public schools	\$35,234,981	\$52,452,785
Newspapers published, number	9,151	9,075
Newspapers, aggregate circulation	6,168,125,616	2,000,023,133

\*Manufacturing section includes area north of the Potomac and Ohio and east of the Mississippi, viz., the New England and Middle States, and Maryland, District of Columbia, Ohio, Indiana, Illinois, Michigan, and Wisconsin.



## Progress of manufactures in the United States—Comparative Summary, 1850 to 1905, with per cent of increase for each decade.

[From the United States Census Report on Manufactures.]

	Date of Census.					Per cent of Increase.							
	1950.	1960.	1870.	1880.	1890.	1900.*	1905.	1850 to 1860	1860 to 1870	1870 to 1880	1880 to 1890	1890 to 1900	1900 to 1905
Number of establishments-----	123,925	149,433	252,143	253,852	335,475	532,254	553,769	14.1	79.6	0.7	40.0	44.1	4.2
Capital-----	\$633,245,351	\$1,000,855,715	\$2,118,268,769	\$2,790,272,606	\$6,525,156,186	\$9,817,434,799	\$13,872,635,371	89.4	100.8		133.9	59.5	41.3
Salaried officials, clerks, etc., number-----	(3)	(3)	(3)	(3)	461,603**	\$463,711,233	\$669,240,251					3.0	42.7
Salaries-----	(3)	(3)	(3)	(3)	\$231,938,208**	5,308,169	6,152,443	37.0	56.6	33.0	55.6	24.9	15.9
Wage-earners, average number-----	957,059	1,311,246	2,033,996	2,732,595	4,231,613	\$2,322,333,877	\$3,614,339,372	60.0	104.7	22.2	90.5	22.8	29.8
Total wages-----	\$236,755,464	\$378,878,966	\$775,534,343	\$947,953,705	\$1,891,228,321	4,110,527	4,792,374	42.3	55.3	25.0	64.8	29.5	16.6
Men, 16 years and over-----	731,137	1,040,349	1,615,598	2,019,035	3,337,912	\$2,016,377,789	\$2,629,747,537					21.5	30.4
Wages-----	(3)	(3)	(3)	(3)	\$1,650,234,183	1,029,996	1,194,033	19.9	19.5	64.2	51.2	28.1	16.0
Women, 16 years and over-----	2,223,922	270,897	323,770	531,639	\$215,367,976	\$279,394,396	\$356,902,855					30.0	27.5
Wages-----	(3)	(3)	(3)	(3)	\$10,625,892	168,583	167,095			58.7	33.6(4)	39.5	0.9
Children, under 16 years-----	(3)	(3)	114,828	181,921	130,835							54.3	13.9
Wages-----	(3)	(3)	(3)	(3)	\$631,225,035	\$25,651,692	\$29,228,637					62.8	60.7
Miscellaneous expenses-----	(5)	(5)	(5)	(5)	\$5,162,014,076	\$1,027,775,778	\$1,671,693,535	85.8	141.2	36.5	52.0	42.3	29.3
Cost of materials used-----	\$553,123,822	\$1,031,095,092	\$2,433,427,242	\$3,396,923,549		\$7,345,413,651	\$9,497,619,851						
Value of products including custom work and repairing-----	\$1,019,106,616	\$1,833,391,676	\$4,232,325,442	\$5,369,579,191	\$9,372,437,283	\$13,004,400,143	\$16,886,706,985	85.1	124.4	26.9	74.5	28.8	29.7

\*Includes, for comparative purposes, 85 governmental establishments in the District of Columbia having products valued at \$9,887,855, the statistics of such establishments for 1890 not being separable. Totals for 1900 and 1905 are exclusive of statistics for governmental establishments and for Hawaii.

\*\*Includes proprietors and firm members, with their salaries; number only reported in 1900, but not included in this table.

(2) Not reported separately.

(4) Decrease.

(5) Not reported.

*Progress of manufacturing in the United States, 1850 to 1905.*

[From official reports of the Census Office.]

Years.	Number of establishments.	Average number of wage earners.	Wages paid.	Value of product.
1850	123,025	957,059	\$236,755,464	\$1,019,106,616
1860	140,433	1,311,246	378,878,966	1,885,831,676
1870	252,148	2,053,936	775,581,343	4,232,325,412
1880	253,852	2,732,595	947,953,795	5,369,579,191
1890	355,415	4,251,613	1,891,228,321	9,372,437,281
1900*	512,254	5,308,406	2,322,333,877	13,004,400,143
1905*	533,769	6,157,751	3,016,711,706	16,866,706,985

\* Exclusive of statistics for governmental establishments and for Hawaii. Figures for 1905 include neighborhood industries and hand trades, estimated by Census Office at two billions of dollars.

*Production of principal groups of manufactures in the year 1905.*

Food and kindred products	\$2,845,234,900
Iron and steel and their products	2,176,739,726
Textiles	2,147,441,418
Lumber and its manufactures	1,223,730,336
Miscellaneous industries	941,604,873
Metals, other than iron and steel	922,262,456
Paper and printing	857,112,256
Leather and its finished products	705,747,470
Chemicals and allied products	1,031,965,263
Vehicles for land transportation	613,924,442
Liquors and beverages	501,266,605
Clay, glass, and stone products	391,230,422
Tobacco	331,117,681
Shipbuilding	82,769,239

The manufacturing industries gave employment in 1905 to 6,157,751 wage-earners, earning \$3,016,711,706; 536,175 officials and clerks earning \$609,200,251 in 533,769 establishments.

*Production and average prices of middling cotton, and prices of the staple manufactures of cotton, in the New York market each year, from 1880 to 1907.*

[From the Statistical Abstract.]

Calendar Year	Total commercial crop. a	Middling cotton per pound. b	Standard sheetings, per yard.	Standard drillings, per yard. a	New York Mills bleached shirtings, per yard.	Standard prints, per yard.	6-4 by 6-4 printing cloths, per yard.
	Bales	Cents	Cents	Cents	Cents	Cents	Cents
1880	5,761,000	11.51	8.51	8.51	12.74	7.41	4.51
1881	6,606,000	12.03	8.51	8.06	12.74	7.00	3.95
1882	5,456,000	11.56	8.45	8.25	12.95	6.50	3.76
1883	6,950,000	11.88	8.32	7.11	12.93	6.00	3.69
1884	5,713,000	10.88	7.28	6.86	10.46	6.00	3.36
1885	5,706,000	10.45	6.75	6.36	10.37	6.00	3.12
1886	6,575,000	9.28	6.75	6.25	10.65	6.00	3.31
1887	6,499,000	10.21	7.15	6.58	10.88	6.00	3.33
1888	7,047,000	10.03	7.25	6.75	10.94	6.50	3.81
1889	6,939,000	10.65	7.00	6.75	10.50	6.50	3.81
1890	7,297,000	11.07	7.00	6.75	10.90	6.00	3.34
1891	8,674,000	8.60	6.83	6.41	10.64	6.00	2.95
1892	9,018,000	7.71	6.50	5.60	10.25	6.25	3.39
1893	6,661,000	8.56	5.90	5.72	9.75	5.25	3.30
1894	7,532,000	6.94	5.11	5.07	9.50	4.90	2.75
1895	9,887,000	7.44	5.74	5.69	9.85	5.25	2.86
1896	7,147,000	7.93	5.45	5.48	9.50	4.66	2.60
1897	8,706,000	7.00	4.73	4.75	9.25	4.70	2.48
1898	11,216,000	5.91	4.20	4.10	8.00	3.96	2.06
1899	11,250,000	6.88	5.28	5.13	9.50	4.25	2.69
1900	9,422,000	9.25	6.05	5.95	10.75	5.00	3.21
1901	10,339,000	8.75	5.54	5.48	10.25	4.62	2.84
1902	10,768,000	9.00	5.48	5.52	10.50	5.00	3.11
1903	10,674,000	11.18	6.25	6.37	10.75	5.00	3.25
1904	10,002,000	11.75	7.13	7.31	10.50	5.00	3.44
1905	13,654,000	9.80	7.00	7.00	9.00	4.75	3.13
1906	11,234,000	11.50	7.25	7.37	10.93	5.12	3.63
1907	13,540,000	12.10	7.62	7.62	13.00	6.00	4.62

a Years ending August 31. Compiled by Mr. A. B. Shepperson, of New York.

b Including 1891 and since, the price of standard drillings are net; raw cotton prices are also net for the entire period.

*Import prices.*

[Represents prices in foreign countries.]

Articles.	March—					
	1897.	1898.	1900.	1904.	1906.	1907.
Chemicals, drugs, etc.:						
Bark, cinchona, etc. lb.	\$0.043	\$0.096	\$0.193	\$0.152	\$0.085	\$0.129
Gums: Camphor, crude lb.	.239	.171	.291	.337	.360	.419
Potash, nitrate of lb.	.020	.022	.027	.027	.033	.029
Quinia, sulphate of, etc. oz.	.152	.227	.328	.232	.131	.247
Sumac, ground lb.	.015	.016	.023	.015	.015	.024
Cotton, raw	.112	.092	.136	.189	.151	.207
Manufactures of: Cloth, not bleached sq. yd.	.089	.076	.094	.112	.123	.115
Fertilizers: Phosphates, crude ton		2.46	5.08	6.21	5.90	10.75
Fibers, vegetable, etc.:						
Flax ton	219.54	295.66	296.18	258.76	278.79	265.80
Hemp ton	126.00	138.41	133.65	150.42	176.80	174.55
Istle or tampico fiber ton	49.95	49.71	73.30	95.00	89.71	101.17
Jute ton	29.82	24.93	33.59	48.37	64.25	82.34
Manilla ton	79.67	60.64	135.84	200.72	183.88	213.71
Sisal grass ton	59.85	84.47	166.23	155.91	148.70	144.07
Manufactures of:*						
Cables, cordage, etc. lb.	.189	.295	.817	.615	.285	.308
Hides and skins, other than fur skins:						
Goatskins lb.	.229	.231	.272	.273	.300	.329
All other, except hides of cattle lb.	.108	.152	.174	.152	.182	.237
Hides of cattle lb.		.117	.130	.133	.146	.155
India rubber lb.	.504	.586	.660	.695	.766	.759
Iron and steel and manufac- tures of:						
Pig iron ton	22.90	25.80	36.21	17.47	26.81	23.04
Tin plates, terne plates, etc. lb.	.023	.022	.035	.027	.030	.034
Wire, and articles made from lb.	.051	.087	.091	.070	.081	.065
Silk, raw lb.	2.87	3.26	4.63	3.45	3.25	4.53
Sugar: Not above No. 16—						
Beet lb.	.017		.021	.0154		
Cane and other lb.	.020	.022	.027	.0191	.0202	.0207
Above No. 16 lb.	.024	.024	.027	.031	.032	.038
Tin in bars, blocks, pigs, etc. lb.	.128	.135	.254	.273	.342	.411
Wood: Boards, planks, etc. M ft.	10.27	9.99	12.04	15.59	17.23	18.56
Wool: Class 1—clothing lb.	.171	.169	.239	.188	.243	.255
Class 2—combing lb.	.200	.234	.212	.206	.288	.306
Class 3—carpet lb.	.111	.093	.097	.114	.133	.142
Manufactures of: Cloths lb.	.567	.869	1.22	1.01	1.09	1.09
Zinc or spelter: in blocks, pigs and old lb.	.033	.039	.053	.052	.036	.086

\*Includes thread and twine.

The well-being of the wage-worker is a prime consideration of our entire policy of economic legislation.—President Roosevelt's Annual Message, Fifty-seventh Congress, first session.

The present business system of the country rests on the protective tariff and any attempt to change it to a free trade basis will certainly lead to disaster.—Hon. Wm. H. Taft, at Columbus, Ohio.

To increase production here, diversify our productive enterprises, enlarge the field and increase the demand for American workmen; what American can oppose these worthy and patriotic objects?—McKinley.

Let us keep steady heads and steady hearts. The country is not going backward, but forward. American energy has not been destroyed by the storms of the past.—President McKinley before Manufacturers' Club, Philadelphia, June 2, 1897.

It is not safe for the body politic that the power arising from the management of enormous or swollen fortunes should be continued from generation to generation in the hands of a few, and efforts by law, which are not confiscatory, to divide these fortunes and to reduce the motive for accumulating them are proper and statesmanlike and without the slightest savor of socialism or anarchy.—Hon. Wm. H. Taft, at Columbus, Ohio.



*Total values of imports entered for consumption and duties collected thereon from 1876 to 1907.*

[From Statistical Abstract.]

Year ending June 30—	Total	Per cent of free.	Amounts of duty collected.	Average ad valorem rates of duty on—		Duty col- lected per capita.	Im- ports per capita.
				Dutiable	Free and dutiable		
	Dollars.		Dollars.	Per cent.	Per cent.	Dollars.	Dollars
1877 ----	489,829,389	32.02	128,428,343	42.89	26.63	2.77	9.49
1878 ----	439,422,463	32.24	127,195,150	42.75	27.13	2.67	9.21
1879 ----	439,202,374	32.45	133,395,136	44.87	28.97	2.73	8.99
1880 ----	627,555,271	33.15	182,747,654	43.43	29.07	3.64	12.51
1881 ----	550,618,999	31.13	193,800,880	43.20	29.75	3.73	12.63
1882 ----	716,218,948	29.42	216,188,916	42.66	30.11	4.12	13.64
1883 ----	700,829,673	29.52	210,637,293	42.45	29.92	3.92	13.05
1884 ----	607,575,389	31.15	190,262,836	41.61	28.44	3.47	12.16
1885 ----	579,580,054	33.28	178,151,601	45.86	30.59	3.17	10.32
1886 ----	625,308,814	33.33	189,410,448	45.55	30.13	3.30	10.89
1887 ----	683,418,981	34.11	214,222,310	47.10	31.02	3.65	11.65
1888 ----	712,348,626	34.27	216,042,256	45.63	29.99	3.60	11.88
1889 ----	741,431,398	34.61	226,576,939	45.13	29.50	3.60	12.10
1890 ----	773,674,812	34.39	226,540,037	44.41	29.12	2.62	12.35
1891 ----	854,519,577	45.41	216,835,761	46.28	25.25	3.40	13.38
1892 ----	813,601,345	56.30	174,121,270	43.71	21.26	2.63	12.50
1893 ----	844,454,533	52.60	199,143,676	49.58	23.49	3.00	12.73
1894 ----	636,614,420	59.53	129,558,802	50.06	20.25	1.02	9.41
1895 ----	731,162,090	51.55	149,450,608	41.75	20.23	2.17	10.61
1896 ----	759,694,084	48.56	157,013,506	39.95	20.67	2.23	10.81
1897 ----	789,251,030	48.36	172,760,361	42.17	21.89	2.41	11.02
1898 ----	837,153,700	49.05	145,438,335	42.80	24.77	1.99	8.05
1899 ----	895,441,892	43.72	202,072,050	52.07	29.43	3.72	9.22
1900 ----	890,519,252	44.16	229,360,771	49.24	27.62	3.01	10.83
1901 ----	807,763,301	41.98	233,546,110	49.64	23.91	3.01	10.58
1902 ----	899,793,754	44.01	251,453,155	49.73	27.95	3.15	11.39
1903 ----	1,007,960,110	43.28	280,752,416	49.03	27.85	3.49	12.54
1904 ----	981,822,559	46.25	258,222,243	48.78	26.30	3.16	12.01
1905 ----	1,087,118,133	47.56	258,426,295	45.24	23.77	3.11	13.08
1906 ----	1,213,417,649	45.22	293,910,396	44.16	24.22	3.49	14.41
1907 ----	1,415,402,285	45.35	329,480,018	42.55	23.28	3.84	16.49

Where possible, it is always better to mediate before the strike begins than to try to arbitrate when the fight is on and both sides have grown stubborn and bitter.—President Roosevelt at the Labor Day picnic, Chicago, Sept. 3, 1900.

The Republican party was dedicated to freedom forty-four years ago. It has been the party of liberty and emancipation from that hour; not of profession but of performance.—President McKinley, at Canton, July 12, 1900.

I think it would be entirely right in this class of cases, to amend the law and provide that no temporary restraining order should issue at all until after notice and a hearing. Then the court could be advised by both sides with reference to the exact situation, and the danger of issuing a writ too broad or of issuing a writ without good ground would generally be avoided.—Hon. Wm. H. Taft, at Cooper Union, New York City.

But the most gratifying feature of this picture of banking and financial conditions in our country is the fact that deposits in savings banks—those institutions for the safe-keeping of the earning of workingmen and widows and orphans and children of the country—have increased from \$550,000,000 in 1870 to \$3,500,000,000, in 1903. What say you business men of the future of a country whose workingmen and working women and children have three and a half billion dollars laid aside for a "rainy day."—O. P. Austin.

Efficient regulation is the very antidote and preventive of socialism and government ownership. The railroads, until now, have been permitted to wield without any real control the enormously important franchise of furnishing transportation to the entire country. In certain respects they have done a marvelous work and have afforded transportation at a cheaper rate per ton, per mile, and per passenger, than in any country in the world. They have, however, many of them, shamefully violated the trust obligation they have been under to the public of furnishing equal facilities at the same price to all shippers. They have been weighed in the balance and found wanting. The remedy for the evils must be radical to be effective. If it is not so, then we may certainly expect that the movement toward government ownership will become a formidable one that cannot be stayed.—Hon. Wm. H. Taft, at Columbus, Ohio.

*Merchandise imported into, exported from, and retained for consumption in the United States, and duty collected per capita, 1871 to 1907.*

[From the Statistical Abstract.]

Year.	Imports, per capita.		Exports of domestic merchandise.		Retained for consumption, per capita.			
	Merchandise imported for consumption, per capita.	Duty collected, per capita.	Exports, per capita.	Exports of products of manufacture, per cent of total exports.	Raw cotton.	Wheat and wheat flour.	Raw wool	
				P. cent.	Lbs.	Bush.	Lbs.	P. cent.
1871	\$12.95	\$5.12	\$10.83	20.86	14.10	4.69	5.73	29.4
1872	13.80	5.23	10.55	20.16	11.10	4.79	6.75	45.3
1873	15.91	4.44	12.12	20.61	15.19	4.81	5.67	33.2
1874	13.23	3.75	13.81	18.81	13.60	4.46	4.81	17.5
1875	11.97	3.51	11.86	20.42	11.90	5.33	5.23	22.1
1876	10.29	3.22	11.44	20.14	14.77	4.89	5.21	18.3
1877	9.49	2.77	12.72	24.45	14.03	5.01	5.13	16.3
1878	9.21	2.67	14.30	20.43	13.71	5.72	5.23	16.9
1879	8.90	2.73	14.39	19.10	13.90	5.53	5.03	14.2
1880	12.51	3.04	16.43	14.73	12.94	5.86	6.11	34.9
1881	12.68	3.73	17.23	15.30	19.04	5.00	5.46	17.3
1882	13.64	4.12	13.97	22.09	16.15	4.93	6.36	19.
1883	13.05	3.92	14.98	19.93	20.80	5.44	6.62	18.7
1884	12.16	3.47	13.20	21.51	16.30	5.64	6.85	20.6
1885*	10.32	3.17	12.94	20.67	15.16	6.77	6.69	13.0
1886*	10.89	3.30	11.60	21.37	19.59	4.87	7.39	23.9
1887*	11.65	3.65	11.93	21.21	16.34	5.17	6.63	27.4
1888*	11.83	3.60	11.40	22.33	19.59	5.62	6.31	23.9
1889	12.10	3.60	11.92	22.73	17.22	5.34	6.33	31.3
1890	12.35	3.62	13.50	21.13	13.50	6.69	6.03	27.0
1891	13.83	3.49	13.63	21.53	22.36	4.59	6.44	30.3
1892	12.50	2.68	15.61	18.02	24.53	5.94	6.75	33.1
1893†	12.73	3.03	12.93	21.37	17.34	4.89	7.10	35.7
1894†	9.41	1.92	19.35	23.33	16.45	3.44	5.13	14.2
1895†	10.61	2.17	13.51	25.34	23.75	4.59	7.39	40.0
1896†	10.81	1.33	13.29	29.39	13.97	4.85	6.93	45.9
1897†	11.02	2.41	14.42	30.15	13.77	3.95	3.40	57.3
1898	9.65	1.99	16.59	26.81	25.73	4.29	5.44	32.3
1899	9.22	2.72	16.29	31.39	27.37	6.09	4.51	19.2
1900	10.33	3.01	17.30	35.36	22.37	4.74	5.72	34.4
1901	10.63	3.03	19.31	31.35	25.94	3.95	5.13	24.9
1902	11.39	3.17	17.16	33.43	23.65	4.50	6.07	34.1
1903	12.54	3.49	17.32	35.61	24.04	5.31	5.74	37.3
1904	12.01	3.16	17.53	36.47	25.23	6.33	5.63	37.0
1905	13.03	3.11	17.94	40.96	23.97	6.15	6.52	45.5
1906	14.41	3.49	20.40	39.93	26.49	7.67	5.33	39.6
1907	16.49	3.34	21.60	39.32	29.73	6.30	5.31	40.0

The national credit is inseparably associated with our national growth and prosperity, and if you touch the latter with an unfriendly hand you will seriously injure the former.—Hon. W. McKinley, in House of Representatives, April 16, 1873.

It is probable that the stringency which reached its height on that dark day of October 24 might in part have been alleviated had we had a currency which could automatically enlarge itself to meet the tremendous demand of a day or a week or a month, while public confidence was being restored.—Hon. Wm. H. Taft, to Merchants and Manufacturers' Association, Boston, Mass.

It is easy and it often seems expedient to yield to the outcry of the hour; but what the thoughtful people of America demand of an official is that he shall set his face like flint against it if his conscience or his experience convinces him that it is a mistaken cry.—Hon. George B. Certelyou, at Urbana, Illinois, June 7, 1905.

No party in the whole history of the country has ever taken more decided steps to restrain the abuses of irresponsible corporate wealth and power than has the Republican party, both in the executive and in the legislative branches of the Government during the last eight years. No party has ever shown greater independence of corporate control and corporate influence than the Republican majority in the House and Senate and the Executive.—Hon. Wm. H. Taft, at Greensboro, North Carolina.



*Imports and exports of the United States.*

Fiscal years.	Imports.	Exports.	Excess of imports.	Excess of exports.
1790	\$23,000,000	\$20,205,156	\$2,794,844	
1800	91,252,768	70,971,780	20,280,988	
1810	85,400,000	66,757,970	18,642,030	
1820	74,450,000	69,691,669	4,758,331	
1825	90,189,310	90,738,333		\$549,023
1830	62,720,953	71,670,735		8,949,779
1835	136,761,205	115,215,802	21,545,403	
1836	176,579,154	124,338,701	52,240,450	
1837	130,472,893	111,443,127	19,029,676	
1838	95,970,288	104,978,570		9,008,282
1839	156,496,956	112,251,673	44,245,283	
1840	98,258,706	123,668,932		25,410,226
1841	122,957,544	111,817,471	11,140,073	
1842	36,075,071	99,877,995		3,802,924
1843	42,133,464	82,825,689		40,392,225
1844	102,601,606	105,715,832		3,141,226
1845	113,184,322	106,040,111	7,144,211	
1846	117,914,065	101,583,248	8,330,817	
1847	122,121,349	156,741,598		34,317,249
1848	118,638,644	138,190,515	10,448,129	
1849	141,203,199	140,351,172	855,027	
1850	173,509,526	144,375,726	29,133,800	
1851	210,771,429	188,915,239	21,856,170	
1852	207,410,398	166,984,231	40,456,167	
1853	263,777,265	203,489,282	60,287,983	
1854	297,803,794	237,043,764	60,760,030	
1855	257,808,708	218,909,503	38,899,205	
1856	310,432,810	281,219,423	29,212,887	
1857	318,428,342	293,823,760	54,604,582	
1858	263,338,654	272,011,274		8,672,620
1859	231,333,341	292,902,051	38,431,290	
1860	353,616,119	333,576,057	20,040,062	
1861	289,310,542	219,553,833	69,756,709	
1862	189,356,677	190,670,501		1,313,824
1863	243,335,815	203,964,447	39,371,368	
1864	316,447,283	158,837,988	157,609,295	
1865	238,745,580	166,029,303	72,716,277	
1866	434,812,066	348,859,522	85,952,544	
1867	395,761,096	294,506,141	101,254,955	
1868	357,436,440	281,952,899	75,483,541	
1869	417,506,379	286,117,697	131,388,682	
1870	435,958,408	392,771,768	43,186,640	
1871	520,223,684	442,820,178	77,403,506	
1872	626,595,077	444,177,586	182,417,491	
1873	642,136,210	522,479,922	119,656,288	
1874	567,406,342	586,283,040		18,876,698
1875	533,095,436	513,442,711	19,562,725	
1876	460,741,190	540,384,671		79,643,481
1877	451,323,128	602,475,220		151,152,094
1878	437,051,532	694,865,766		257,814,234
1879	445,777,775	710,439,441		264,661,666
1880	667,954,746	835,638,658		167,683,912
1881	642,664,628	902,377,346		259,712,718
1882	724,039,574	750,542,257		25,902,683
1883	723,180,914	823,839,402		100,658,488
1884	667,697,693	740,513,609		72,815,916
1885	577,527,329	742,189,755		164,662,426
1886	635,436,136	679,524,830		44,088,694
1887	692,819,768	716,183,211		23,863,443
1888	723,957,114	695,954,507	28,002,607	
1889	745,131,652	742,401,375	2,730,277	
1890	789,310,409	857,828,684		68,518,275
1891	844,916,196	884,480,810		39,564,614
1892	827,402,462	1,030,278,148		202,875,686
1893	866,400,922	847,665,194	18,735,728	
1894	654,994,623	892,140,672		237,145,950
1895	731,969,965	807,538,165		75,568,200
1896	779,724,674	882,606,938		102,882,264
1897	764,730,412	1,050,993,556		286,263,144
1898	616,049,654	1,231,482,330		615,432,676
1899	697,148,489	1,227,023,302		529,874,813
1900	849,941,184	1,394,483,082		544,541,898
1901	823,172,165	1,487,764,991		664,592,826
1902	903,320,948	1,381,719,401		478,398,453
1903	1,025,719,237	1,420,141,679		394,422,442
1904	991,087,371	1,460,827,271		469,739,900
1905	1,117,513,071	1,518,561,666		401,048,595
1906	1,226,562,446	1,743,864,500		517,302,054
1907	1,434,421,425	1,880,851,078		446,429,653
1908a	1,185,000,000	1,859,000,000		674,000,000
*Total	\$40,233,847,628	\$46,326,439,055		\$6,092,592,132

\* The totals include the figures of all omitted years and are thus the totals of all years from 1789 to 1907.

a June, 1908, estimated.



*Receipts and expenditures in the United States.*

Fiscal years.	Net ordinary receipts	Net ordinary expenditures.	Excess receipts.	Excess of expenditures.
1800	\$10,818,749	\$10,813,971	\$31,778	
1810	9,884,214	8,474,753	909,461	
1820	17,810,670	18,285,535		\$444,865
1830	24,814,117	15,112,108	9,702,009	
1840	19,480,115	21,311,518		4,834,403
1850	43,532,889	40,948,383	2,614,506	
1851	52,555,039	47,751,478	4,803,561	
1852	49,846,816	44,890,252	5,456,564	
1853	61,587,032	47,743,989	13,843,043	
1854	73,800,341	55,038,455	18,761,886	
1855	65,350,575	58,630,663	6,719,912	
1856	74,056,699	68,726,350	5,330,349	
1857	68,965,313	67,634,409	1,330,904	
1858	46,655,366	73,982,493		27,327,127
1859	52,777,108	68,993,600		16,216,492
1860	56,054,600	63,200,876		7,146,276
1861	41,476,299	66,650,213		25,173,914
1862	51,919,261	469,570,242		417,650,981
1863	112,094,946	718,734,276		606,639,330
1864	243,412,971	864,969,101		621,556,130
1865	322,031,158	1,295,009,290		973,068,132
1866	519,919,534	519,022,356	927,208	
1867	462,846,680	346,729,326	116,117,354	
1868	376,431,454	370,339,134	6,095,320	
1869	357,188,256	321,190,598	35,997,658	
1870	395,959,834	293,657,005	102,302,829	
1871	374,431,105	283,160,394	91,270,711	
1872	364,604,230	270,559,696	94,134,534	
1873	322,177,674	285,230,325	36,938,349	
1874	299,941,091	301,238,800		1,297,709
1875	284,020,771	274,623,393	9,397,378	
1876	290,066,585	265,101,085	24,965,500	
1877	281,000,642	241,334,475	39,666,167	
1878	257,416,776	236,964,327	20,482,449	
1879	272,322,137	266,947,884	5,374,253	
1880	333,526,501	261,817,637	68,678,864	
1881	360,782,293	259,651,639	101,130,654	
1882	403,525,250	257,981,440	145,543,810	
1883	398,287,582	265,408,138	132,879,444	
1884	348,519,870	241,126,244	107,393,626	
1885	323,690,706	260,226,935	63,463,776	
1886	336,439,727	242,483,139	93,956,588	
1887	371,403,278	267,932,180	103,471,098	
1888	379,266,075	259,653,959	119,612,116	
1889	387,050,059	281,996,616	105,053,443	
1890	403,000,983	297,736,487	105,264,496	
1891	392,612,147	355,372,685	37,239,762	
1892	351,937,784	345,023,331	9,914,453	
1893	385,819,629	383,477,954	2,341,675	
1894	297,722,019	367,525,280		69,803,261
1895	313,390,075	356,195,298		42,805,223
1896	326,976,200	352,179,446		25,203,246
1897	347,721,705	365,774,160		18,052,455
1898	405,321,335	443,368,583		38,047,248
1899	515,860,620	605,072,180		89,111,560
1900	567,240,852	487,712,792	79,527,060	
1901	587,685,338	509,967,353	77,717,985	
1902	562,478,233	471,190,858	91,287,375	
1903	560,396,674	506,099,007	54,297,667	
1904	540,631,749	582,402,321		41,770,572
1905	544,274,685	567,278,913		23,004,228
1906	594,454,122	568,784,799	25,669,323	
1907	663,140,334	578,903,748	84,236,586	
1908	599,895,763	659,552,125		59,656,362

Note.—Net ordinary receipts include receipts from customs, internal revenue, direct tax, public lands, and "miscellaneous," but do not include receipts from loans, premiums, or treasury notes, or revenues of Post Office Department. Net ordinary expenses include expenditures for War, Navy, Indians, pensions, payments for interest, and "miscellaneous," but do not include premiums, principal or public debt, or expenditures for postal service paid from revenues thereof.

In the enormous production of wealth, in the heretofore unheard of prosperity, it was inevitable that abuses should creep in and that in the absence of publicity some of the men enjoying irresponsible power should yield to the temptations of cupidity and ignore the sacred character of the trust relation. But there has been a house-cleaning and the Republican party has exerted every effort to destroy any further opportunity for such abuses and to prevent any recurrence of them—Hon Wm. H. Taft, at Greensboro, North Carolina.

## Imports of the United States from the grand divisions of the world.

[From the Statistical Abstract.]

Years.		Commerce by grand divisions of the world.										Years.	
		Imports into the United States from—											
		North America.		South America.		Asia.		Oceania.		Africa.			
		Dollars.	Per cent of total.	Dollars.	Per cent of total.	Dollars.	Per cent of total.	Dollars.	Per cent of total.	Dollars.	Per cent of total.		
1850	124,954,302	24,136,879	13.55	16,617,627	9.35	10,315,486	5.79	1,401,340	.79	682,151	.38	1850	1850
1851	165,074,384	44,781,394	17.13	27,894,198	10.67	18,288,328	6.99	3,575,574	1.37	1,849,642	.71	1851	1851
1852	216,831,353	75,082,593	20.78	35,992,719	9.96	26,201,603	7.25	3,495,226	.97	3,798,518	1.05	1852	1852
1853	101,903,619	83,912,382	35.80	22,930,899	9.79	11,248,563	4.79	3,572,343	1.52	3,166,431	1.35	1853	1853
1854	240,910,283	126,544,611	27.42	43,596,045	9.41	31,413,378	6.78	1,423,212	.31	c10,800,058	2.10	1854	1854
1855	287,201,034	132,055,363	23.84	74,247,631	13.40	45,220,249	8.16	4,983,781	.99	c10,219,095	1.85	1855	1855
1856	370,121,782	190,077,225	19.47	82,126,922	12.30	67,003,793	10.02	d14,130,604	2.13	d3,789,420	.56	1856	1856
1857	318,733,828	117,450,701	20.34	65,289,956	11.31	52,200,475	9.22	23,531,402	3.70	c4,537,419	.70	1857	1857
1858	357,538,465	125,431,516	19.74	65,875,425	10.37	58,521,900	9.14	23,215,056	3.31	c4,698,806	.70	1858	1858
1859	330,728,092	130,790,843	18.90	79,764,191	11.52	63,212,870	8.55	26,472,885	3.66	c4,565,363	.65	1859	1859
1860	407,421,875	139,818,913	19.30	84,356,398	11.65	61,691,675	8.55	29,604,059	3.60	c5,505,275	.74	1860	1860
1861	403,421,058	150,805,817	20.25	92,135,052	12.36	67,500,833	8.57	28,356,568	3.60	c5,084,892	.42	1861	1861
1862	449,987,268	148,368,706	18.81	90,006,144	11.43	72,272,222	8.57	25,621,134	3.04	c5,751,721	.59	1862	1862
1863	459,305,372	163,226,079	19.35	118,736,668	14.03	80,133,251	9.77	23,133,062	2.80	c7,720,740	.65	1863	1863
1864	391,628,469	174,051,131	21.04	150,727,759	13.27	87,624,446	10.11	25,997,378	3.00	c8,388,478	.97	1864	1864
1865	295,077,865	166,962,559	25.49	100,117,107	15.29	66,186,397	10.10	21,457,923	3.28	c9,162,771	.79	1865	1865
1866	382,615,813	133,915,082	18.29	112,167,120	15.32	77,626,364	10.61	17,450,926	2.39	c7,164,060	.98	1866	1866
1867	418,679,121	126,877,126	16.27	108,828,462	13.96	89,592,318	11.49	24,614,668	3.16	11,172,979	1.43	1867	1867
1868	430,192,205	105,924,053	13.85	107,330,405	14.04	87,294,597	11.41	24,400,439	3.19	9,529,713	1.25	1868	1868
1869	305,433,691	91,376,807	14.83	92,091,694	14.95	92,594,593	15.03	26,850,230	4.36	7,193,639	1.17	1869	1869
1870	353,884,534	112,150,911	16.09	86,387,883	12.42	107,091,214	15.36	26,997,877	3.87	10,436,060	1.50	1870	1870
1871	420,567,314	130,035,221	15.30	93,666,774	11.02	139,812,330	16.45	34,611,103	4.07	11,218,437	1.32	1871	1871
1872	429,620,452	145,158,104	17.63	110,367,342	13.41	117,677,611	14.30	11,395,195	1.33	8,953,461	1.09	1872	1872
1873	575,161,941	151,076,824	16.72	119,785,756	13.26	129,682,651	14.36	14,166,461	1.57	13,447,615	1.49	1873	1873
1874	447,226,887	189,736,475	18.49	107,428,323	10.48	147,502,374	14.40	21,043,527	2.05	12,581,651	1.23	1874	1874
1875	498,697,379	198,773,952	20.06	126,361,113	12.14	143,709,153	14.48	20,310,998	2.05	9,426,776	.95	1875	1875
1876	540,773,092	220,229,145	20.33	150,795,800	13.49	161,982,991	14.50	25,388,421	2.27	11,343,622	1.02	1876	1876
1877	633,292,184	235,353,392	19.19	140,422,876	11.45	180,075,671	14.68	24,769,683	2.02	12,628,735	1.03	1877	1877
1878	717,201,253	263,570,319	18.37	160,165,587	11.17	212,475,427	14.81	29,785,393	2.08	21,127,466	1.47	1878	1878
1879	509,000,000	242,000,000	18.37	124,000,000	11.17	180,000,000	14.81	24,000,000	2.08	16,000,000	1.47	1879	1879

a Hawaiian Islands not included after 1900.

b From 1850 to 1878 specie is included in totals, but excluded in following years.

c Includes "All other countries."

d Includes "All other Spanish possessions."

e Includes "All other countries in Asia and Oceania."

\* June estimated.



*Exports of the United States to the grand divisions of the world.*  
[From the Statistical Abstract.]

Years.		Commerce by grand divisions of the world.										Years.	
		Exports from the United States to—											
		North America.		South America.		Asia.		Oceania. <sup>a</sup>		Africa.			
		Dollars.	Per cent of total.	Dollars.	Per cent of total.	Dollars.	Per cent of total.	Dollars.	Per cent of total.	Dollars.	Per cent of total.		
1850.	113,802,953	24,722,619	16.47	9,676,724	5.98	3,651,729	2.61	268,199	1.14	977,924	64	1850	1850
1851.	200,761,143	50,816,532	19.47	13,455,417	4.89	3,516,195	1.76	4,673,699	1.76	1,834,136	70	1851	1851
1852.	310,272,818	53,395,937	13.82	16,742,109	4.18	11,667,821	2.77	5,373,697	1.84	3,227,760	84	1852	1852
1853.	291,758,810	94,837,990	28.17	21,006,966	6.42	8,529,596	2.53	7,962,117	2.24	2,412,292	72	1853	1853
1854.	420,184,014	68,962,006	13.03	21,651,459	4.09	16,872,964	2.07	4,534,941	2.82	63,414,768	64	1854	1854
1855.	533,514,621	86,166,454	12.95	24,006,950	3.02	13,372,805	2.10	4,278,979	1.64	63,470,782	52	1855	1855
1856.	719,433,783	69,437,783	8.31	23,190,290	2.77	11,645,703	1.59	6,848,656	2.22	65,964,466	61	1856	1856
1857.	599,210,748	76,764,748	8.04	27,734,837	3.74	20,733,972	2.79	13,095,463	1.83	64,103,962	55	1857	1857
1858.	541,373,089	71,930,089	10.59	26,131,991	3.85	21,990,999	2.36	14,777,487	2.11	63,229,994	53	1858	1858
1859.	575,360,326	73,425,948	10.25	30,744,497	4.29	21,922,172	2.70	18,367,553	1.87	63,622,716	46	1859	1859
1860.	540,092,503	79,995,497	11.59	29,579,267	4.25	18,329,182	2.73	14,748,065	2.12	63,612,063	42	1860	1860
1861.	578,992,520	89,590,476	13.66	26,621,617	4.72	18,439,636	2.43	16,239,453	2.19	64,248,833	57	1861	1861
1862.	683,736,397	94,100,410	10.98	33,752,848	4.82	19,696,820	2.39	18,460,269	1.82	65,062,149	54	1862	1862
1863.	704,798,047	96,549,129	10.52	33,708,290	3.84	25,553,398	2.39	18,621,891	2.11	65,250,235	54	1863	1863
1864.	850,623,159	146,568,184	10.25	33,147,611	3.21	19,380,350	1.81	15,572,767	1.61	65,778,083	62	1864	1864
1865.	661,926,910	119,788,989	14.13	32,699,677	3.25	16,222,354	1.51	11,199,477	1.32	65,838,487	69	1865	1865
1866.	700,376,822	119,693,212	13.42	33,212,319	3.21	29,872,761	2.24	11,914,182	1.34	67,074,656	61	1866	1866
1867.	627,927,692	108,575,594	13.45	33,625,938	4.15	17,325,637	2.15	12,197,231	1.62	67,074,656	87	1867	1867
1868.	673,913,753	116,567,496	13.21	34,297,671	4.11	25,692,629	2.39	17,197,259	1.96	13,570,760	1.57	1868	1868
1869.	813,385,644	124,593,461	11.39	34,766,646	3.21	39,274,965	3.74	22,652,722	2.18	16,953,127	1.61	1869	1869
1870.	973,896,245	139,627,841	11.36	33,621,781	2.76	41,797,791	3.63	22,093,622	1.78	17,515,799	1.42	1870	1870
1871.	936,602,023	157,931,707	12.37	35,659,962	2.91	43,369,151	3.94	29,875,015	2.43	18,594,424	1.52	1871	1871
1872.	1,040,167,763	187,531,625	12.87	36,945,763	2.79	64,313,937	4.66	43,391,275	3.11	19,469,819	1.39	1872	1872
1873.	1,136,504,665	196,534,468	13.21	44,396,712	2.92	49,396,712	3.34	35,892,401	2.35	25,512,618	1.72	1873	1873
1874.	1,008,033,981	293,371,080	14.76	38,043,677	2.75	63,814,677	4.03	34,258,041	2.45	33,468,606	2.43	1874	1874
1875.	1,020,266,957	215,482,789	15.16	41,137,872	2.39	58,359,615	4.11	37,468,512	2.64	34,436,853	2.71	1875	1875
1876.	1,057,930,131	224,900,959	16.66	50,785,667	3.47	69,151,347	4.12	32,850,631	2.98	34,290,128	1.68	1876	1876
1877.	1,020,972,641	269,150,235	17.18	56,344,131	3.75	128,504,610	8.46	33,679,416	2.18	18,549,603	1.22	1877	1877
1878.	308,282,962	17,683	0.00	75,159,783	4.31	105,451,610	6.05	35,141,751	2.82	19,562,346	1.12	1878	1878
1879.	349,840,641	92,157,174	4.37	92,763,664	4.37	102,763,664	4.37	41,136,193	2.19	14,511,926	0.83	1879	1879
1880.	1,232,690,000	325,666,000	13.09	93,600,000	4.37	102,763,664	4.37	47,000,000	2.19	20,000,000	1.03	1880	1880

<sup>a</sup> Hawaiian Islands not included after 1900.

<sup>b</sup> From 1850 to 1878 specie is included in totals, but excluded in following years.

<sup>c</sup> Includes "All other countries."

<sup>d</sup> Includes "All other Spanish possessions."

<sup>e</sup> Includes "All other countries in Asia and Oceania."

\*June estimated.



## Government finance, per capita.

Year.	Population June 1.	Government finance, per capita.						
		Amou't of money in the United States July 1.	Money in cir- cula- tion July 1.	Debt less cash in Treas- ury, July 1.	Year ending June 30.			
					Inter- est on public debt.	Net reve- nue.	Net ex- penses.	Dis- burse- ments for pen- sions.
		Dolls.	Dolls.	Dolls.	Dolls.	Dolls.	Dolls.	Dolls.
1871.....	39,555,000	18.75	18.10	56.81	2.83	9.69	7.39	0.84
1872.....	40,596,000	18.79	18.19	52.96	2.56	9.22	6.81	.74
1873.....	41,677,000	18.58	18.04	50.52	2.35	8.01	6.97	.70
1874.....	42,796,000	18.83	18.13	49.17	2.31	7.13	7.07	.71
1875.....	43,951,000	18.16	17.16	47.53	2.20	6.55	6.25	.68
1876.....	45,137,000	17.52	16.12	45.66	2.11	6.52	5.87	.63
1877.....	46,353,000	16.46	15.58	43.56	2.01	6.07	5.21	.62
1878.....	47,598,000	16.59	15.32	41.01	1.99	5.42	4.98	.56
1879.....	48,866,000	21.15	16.75	40.85	1.71	5.60	5.46	.09
1880.....	50,155,783	23.64	19.41	38.27	1.59	6.65	5.34	1.14
1881.....	51,316,000	26.30	21.71	35.46	1.46	7.00	5.08	.98
1882.....	52,495,000	26.85	22.37	31.91	1.09	7.68	4.91	1.03
1883.....	53,693,000	27.42	22.91	28.66	.96	7.41	4.94	1.13
1884.....	54,911,000	27.08	22.65	26.20	.87	6.36	4.44	1.04
1885.....	56,148,000	27.38	23.02	24.50	.84	5.76	4.63	1.17
1886.....	57,401,000	27.20	21.82	22.34	.79	5.86	4.22	1.13
1887.....	58,680,000	27.84	22.45	20.03	.71	6.33	4.56	1.27
1888.....	59,974,000	28.20	22.88	17.72	.65	6.32	4.46	1.33
1889.....	61,289,000	27.06	22.52	15.92	.53	6.81	4.88	1.45
1890.....	62,622,250	26.91	22.82	14.22	.47	6.48	4.88	1.71
1891.....	63,844,000	26.28	23.42	13.34	.37	6.14	5.72	1.95
1892.....	65,080,000	26.92	24.56	12.93	.35	5.44	5.29	2.07
1893.....	66,349,000	26.21	24.03	12.64	.35	5.81	5.77	2.40
1894.....	67,632,000	26.69	24.52	13.30	.38	4.40	5.43	2.00
1895.....	68,934,000	26.39	23.20	13.08	.42	4.54	5.16	2.05
1896.....	70,251,000	25.62	21.41	13.60	.49	4.65	5.01	1.98
1897.....	71,592,000	26.62	22.81	13.78	.48	4.85	5.10	1.97
1898.....	72,947,000	28.43	25.15	14.08	.47	5.55	6.07	2.02
1899.....	74,318,000	29.47	25.58	15.55	.54	6.93	8.14	1.88
1900.....	76,808,387	30.66	26.94	14.52	.44	7.43	6.39	1.85
1901.....	77,647,000	31.98	27.98	13.45	.38	7.56	6.56	1.79
1902.....	79,003,000	32.45	28.43	12.27	.35	7.11	5.96	1.75
1903.....	80,372,000	33.40	29.42	11.51	.32	6.93	6.26	1.72
1904.....	81,752,000	34.29	30.77	11.83	.30	6.60	7.11	1.74
1905.....	83,143,000	34.68	31.08	11.91	.29	6.54	6.81	1.72
1906.....	84,216,433	36.45	32.32	11.45	.28	7.02	6.72	1.67
1907.....	85,817,239	36.30	32.22	10.22	.25	7.70	6.73	1.62

Reciprocity must be treated as the handmaiden of protection. Our first duty is to see that the protection granted by the tariff in every case where it is needed is maintained, and that reciprocity be sought for so far as it can safely be done without injury to our home industries.—President Roosevelt's Annual Message, Fifty-seventh Congress, first session.

While Mr. Bryan has been most emphatic and eloquent in his description and denunciation of trusts and abuses of corporate organization and wealth, his suggested remedies for their prompt suppression have been very vague, unless indeed his proposal that the Government buy or condemn all interstate railways with their immense mileage and maintain and operate them is to be regarded as an immediate, ready, practical, and feasible remedy.—Hon. Wm. H. Taft, at Greensboro, North Carolina.

Think of it, men of Rochester; you producers and manufacturers and merchants and traders and bankers and transporters, think of it! The market of our own country, the home market, in which you can transport your goods from the door of the factory to the door of the consumer, without breaking bulk a single time, is equal to the entire international commerce of the world.—O. P. Austin, at Rochester.

But no one can read the report of the commission on the history of the union of the Southern Pacific and Union Pacific systems with the Illinois Central system without trembling at the enormous power that one man, by the uncontrolled use of the stock and bond issuing power of interstate railways under state charters, had acquired in respect to a vital part of the country's business and without looking for some means of remedying such a dangerous tendency which, if not stopped, will lead to the absorption of all the railroads of the country into one hand.—Hon. Wm. H. Taft, at Columbus, Ohio.

## Analysis of the principal of the public debt of the United States.

[From the Statistical Abstract of the United States, 1907.]

Year ended.	Total interest bearing debt.	Annual interest charge.	Debt on which interest has ceased.	Debt bearing no interest.*	Outstanding principal.	Cash in the Treasury.	Principal of debt less cash in Treasury.	Population of the United States.	Debt per capita.	Interest per capita.
1865—Aug. 31	\$2,381,530,294	\$150,977,697	\$1,503,020	\$461,616,311	\$2,844,649,626	\$88,218,055	\$2,756,431,571	35,228,000	\$78.25	\$4.29
1870—July 1	2,046,455,722	118,784,960	3,708,641	430,508,064	2,480,672,427	149,502,471	2,331,169,956	38,558,371	60.46	3.08
1875	1,722,676,300	96,855,690	11,425,820	498,182,411	2,232,234,531	142,243,361	2,090,041,170	43,951,000	47.53	2.20
1876	1,710,685,450	95,104,269	3,902,420	465,807,196	2,180,395,067	119,469,728	2,060,925,340	45,137,000	45.66	2.11
1877	1,711,838,550	93,160,643	16,648,860	476,764,031	2,205,301,392	136,025,960	2,019,275,431	46,353,000	42.01	1.99
1878	1,791,735,650	94,654,472	2,594,560	455,375,682	2,255,205,892	256,682,812	1,999,332,280	47,598,000	43.56	1.71
1879	1,797,643,700	83,773,778	37,015,630	410,835,741	2,245,495,072	249,080,167	1,996,414,905	48,866,000	40.85	1.59
1880	1,723,993,100	79,683,981	7,621,455	388,890,815	2,120,415,870	201,088,022	1,919,326,747	50,155,783	38.27	1.40
1881	1,639,567,750	75,018,695	6,723,865	422,721,954	2,069,013,569	249,363,415	1,819,650,154	51,316,000	35.46	1.09
1882	1,462,310,400	57,360,110	16,260,805	438,241,788	1,918,312,994	243,289,519	1,675,023,474	52,495,000	31.91	.96
1883	1,338,229,150	51,436,709	7,831,415	538,111,162	1,884,171,728	345,389,902	1,538,781,825	53,693,000	28.66	.87
1884	1,226,563,850	47,926,432	19,636,205	534,308,868	1,830,528,923	391,989,992	1,438,542,935	54,911,000	26.20	.84
1885	1,196,150,950	47,014,133	4,100,995	663,712,927	1,863,964,873	488,612,429	1,375,352,443	56,148,000	22.34	.79
1886	1,146,014,100	45,510,093	9,704,445	619,344,468	1,775,063,013	492,917,173	1,282,145,840	57,404,000	20.03	.65
1887	1,021,692,350	41,780,529	6,115,165	628,795,077	1,657,002,562	482,438,917	1,175,168,675	58,680,000	17.72	.53
1888	950,522,500	38,991,935	2,496,095	738,840,389	1,692,588,981	629,854,089	1,063,004,894	61,289,000	14.22	.47
1889	829,853,990	33,752,354	1,911,485	825,011,289	1,562,140,201	661,355,384	890,784,370	62,622,250	12.93	.37
1890	725,313,110	29,417,603	1,815,805	935,882,766	1,545,946,591	694,083,389	851,912,751	63,844,000	12.64	.35
1891	610,529,120	23,613,785	1,614,705	1,000,648,939	1,538,461,144	746,937,681	841,526,463	65,086,000	13.30	.38
1892	585,029,330	22,893,883	2,735,875	958,854,525	1,545,985,686	707,016,210	838,969,475	66,349,000	13.03	.49
1893	585,047,100	22,894,194	2,094,060	995,890,506	1,632,253,636	732,940,256	899,313,380	67,632,000	13.60	.48
1894	635,041,890	25,394,385	1,851,240	995,890,506	1,632,253,636	732,940,256	899,313,380	70,254,000	14.08	.54
1895	716,202,060	29,140,792	1,721,590	958,197,332	1,676,120,983	814,543,069	955,297,253	71,592,000	14.52	.44
1896	847,363,890	34,387,315	1,316,880	968,900,655	1,817,672,665	831,016,579	986,656,086	72,947,000	15.55	.38
1897	847,363,890	34,387,315	1,316,880	968,900,655	1,817,672,665	831,016,579	986,656,086	72,947,000	15.55	.38
1898	847,363,890	34,387,315	1,316,880	968,900,655	1,817,672,665	831,016,579	986,656,086	72,947,000	15.55	.38
1899	1,016,048,750	40,347,872	1,218,300	947,901,845	1,796,531,995	769,446,503	1,027,085,492	74,318,000	14.08	.44
1900	1,023,478,800	33,545,130	1,176,320	1,112,305,911	2,136,961,001	836,607,071	1,155,350,235	76,308,387	13.45	.32
1901	987,141,040	29,789,153	1,415,620	1,154,770,273	2,143,826,933	1,039,587,813	955,297,253	77,647,000	11.51	.30
1902	931,070,340	27,542,915	1,280,860	1,226,259,245	2,153,610,445	1,189,153,104	969,457,241	79,003,000	11.83	.29
1903	914,511,410	25,541,573	1,205,090	1,286,718,281	2,202,464,781	1,277,453,144	925,011,637	80,372,000	11.46	.25
1904	895,157,440	24,176,745	1,970,920	1,366,875,224	2,264,003,585	1,296,771,811	967,231,773	81,752,000	10.22	.23
1905	895,158,340	24,176,781	1,370,245	1,378,086,478	2,274,615,063	1,284,746,291	989,866,771	83,145,000	10.22	.23
1906	895,159,140	23,248,064	1,128,135	1,378,086,478	2,337,161,830	1,372,726,152	964,435,686	84,151,000	10.22	.23
1907	894,834,280	21,628,914	1,036,815	1,561,266,966	2,457,188,061	1,578,591,806	878,596,755	85,956,000	10.22	.23
1908	897,503,940	20,894,635	4,130,015	1,725,172,266	2,626,806,272	1,688,673,862	938,132,410	87,496,000	10.22	.23

\*The column of "Debt bearing no interest" includes certificates issued against gold, silver, and currency deposited in the Treasury.



*Number and mileage of railroads placed under receiverships and sold under foreclosure during the calendar years 1876 to 1907.*

[From the Railway Age, Chicago.]

Calendar year.	Placed under receivership.			Sold under foreclosure.		
	Number of roads.	Miles.	Stocks and bonds.	Number of roads.	Miles.	Stocks and bonds.
1876.....	42	6,662	\$467,000,000	30	3,810	\$217,888,000
1877.....	38	3,637	220,294,000	51	3,875	198,911,000
1878.....	27	2,320	92,385,000	48	3,906	311,631,000
1879.....	12	1,102	39,367,000	65	4,909	243,288,000
1880.....	13	885	140,235,000	31	3,775	263,882,000
1881.....	5	110	3,712,000	29	2,617	137,923,000
1882.....	12	912	39,074,000	16	867	65,425,000
1883.....	11	1,990	108,470,000	18	1,351	47,100,000
1884.....	37	11,038	714,755,000	15	710	23,504,000
1885.....	44	8,886	385,460,000	22	3,156	278,304,000
1886.....	13	1,799	70,346,000	45	7,687	374,109,000
1887.....	9	1,046	90,318,000	31	5,478	328,181,000
1888.....	22	3,270	186,814,000	19	1,596	64,555,000
1889.....	22	3,803	99,661,000	25	2,930	137,815,000
1890.....	26	2,963	105,007,000	29	3,825	182,495,000
1891.....	26	2,159	84,479,000	21	3,223	169,069,000
1892.....	36	10,508	357,692,000	28	1,922	95,898,000
1893.....	74	29,340	1,781,046,000	25	1,613	79,924,000
1894.....	38	7,025	395,791,000	42	5,643	318,999,000
1895.....	31	4,089	369,075,000	52	12,831	761,791,000
1896.....	34	5,411	275,597,000	58	13,730	1,150,377,000
1897.....	18	1,537	92,909,000	42	6,675	517,680,000
1898.....	18	2,069	138,701,000	47	6,054	252,910,000
1899.....	10	1,019	52,285,000	32	4,294	267,534,000
1900.....	16	1,165	78,234,000	24	3,477	190,374,000
1901.....	4	73	1,627,000	17	1,139	85,808,000
1902.....	5	278	5,835,000	20	693	39,788,000
1903.....	9	229	18,823,000	13	555	15,885,000
1904.....	8	744	36,069,000	13	524	28,266,000
1905.....	10	3,593	176,321,000	6	679	20,307,000
1906.....	6	204	55,042,000	8	262	10,400,000
1907.....	7	317	13,585,000	6	114	13,777,000
Total....	683	119,713	\$6,696,072,000	931	113,953	\$6,893,922,000

**The job hunts the man, not the man the job. When that condition exists labor is always better rewarded.**—President McKinley.

**England learns from experience—Democracy does not.**—Hon. Charles Dick, in Congress, Jan. 5, 1904.

**What has been done for the tin-plate manufacturers in the United States can be done for American shipbuilders and American shipowners.**—Hon. Wm. S. Greene, in Congress, April 28, 1904.

**Mr. Bryan asks me what I would do with the trusts. I answer that I would restrain unlawful trusts with all the efficiency of injunctive process and would punish with all the severity of criminal prosecution every attempt on the part of aggregated capital through the illegal means I have described to suppress competition.**—Hon. Wm. H. Taft, at Columbus, Ohio.

**Not only is our home market equal to the international commerce of the entire world, but it is growing far more rapidly than international commerce. The internal commerce of the United States has grown from 7 billions in 1870 to 28 billions in 1908, while the international commerce has grown from 11 billions in 1870 to 28 billions in 1908; in other words, while the international commerce of the world is now two and one-half times as great as in 1870, the internal commerce of the United States is now four times as great as in that year and equals the entire commerce between all nations.**—O. P. Austin, Chief of Bureau of Statistics.

**What has been the result to the United States of this so-called colonial policy? Well, it has added to her trade something over one hundred millions of dollars. I do not think that is important except as a beginning. If the government continues its friendly policy toward Porto Rico and the Philippines and opens her markets as well to the Philippines as to Porto Rico, this trade will treble and quadruple in a marvelously short time, so that merely from the standpoint of material progress, the mutual benefits for the people we are helping and ourselves will be no mean justification for the policy.**—Hon. Wm. H. Taft, at Cleveland, Ohio.



*Railways in the United States, their capital stock and dividends, debt and rate of interest paid, passengers and freight carried and rates received per mile for same, earnings per mile of road, and percentage of expenses to earnings, from 1883 to 1906.*

[Compiled from Poor's Railway Manual.]

Year.	Length of lines.	Capital stock.	Dividends. (Per cent of stock.)	Funded debt.	Interest. (Per cent of bonds and deb.)	Passengers carried.	Average receipts per passenger per mile.	Freight carried. Tons.	Freight rates, wheat, Chicago to New York, per bushel.		Average receipts per ton per mile.	Earnings per mile of railroad in operation.		Percentage of expenses to earnings.
									Lake and rail.	All rail.		Gross.	Net.	
	Miles.								Cents.	Cents.	Cents.			
1883	120,519	\$3,675,793,383	2.77	\$3,479,411,914	4.58	312,686,641	2.42	400,453,439	11.5	16.5	1.22	\$7,405	\$2,679	63.82
1884	125,119	3,726,650,011	2.48	3,647,312,772	4.54	334,570,766	2.33	399,074,749	9.95	13.12	1.13	6,633	2,318	65.21
1885	127,689	3,778,603,737	2.02	3,740,255,066	4.65	351,477,688	2.20	437,046,099	9.02	14.0	1.06	6,249	2,163	65.17
1886	133,605	3,956,377,498	2.04	3,853,748,330	4.53	382,284,972	2.19	482,245,254	12.0	16.5	1.04	6,540	2,376	63.84
1887	147,953	4,146,978,214	2.18	4,155,628,116	4.54	428,225,313	2.28	552,074,752	12.0	15.74	1.03	6,799	2,418	61.5
1888	151,222	4,392,287,224	1.77	4,585,471,523	4.20	451,352,655	2.25	190,857,353	11.0	14.5	.98	6,540	2,045	68.72
1889	159,934	4,447,103,600	1.81	4,784,173,271	4.23	494,808,421	2.17	619,165,630	8.7	15.0	.97	6,446	2,066	67.95
1890	163,359	4,549,711,560	1.80	5,055,225,025	4.13	520,439,082	2.17	691,344,437	8.5	14.31	.93	6,875	2,166	68.50
1891	167,846	4,751,753,498	1.85	5,180,217,024	4.14	556,015,902	2.18	704,398,609	8.53	15.0	.93	6,852	2,136	68.83
1892	171,805	4,863,119,073	1.93	5,406,956,004	4.16	575,769,678	2.17	730,605,011	8.55	14.23	.94	6,852	2,038	63.82
1893	175,442	5,021,576,551	1.88	5,510,225,528	4.14	597,056,539	2.07	757,461,489	8.44	14.7	.89	6,963	2,064	70.29
1894	178,054	5,027,604,417	1.64	5,605,775,764	4.04	563,660,216	2.03	674,714,747	7.0	12.88	.86	6,054	1,803	70.22
1895	179,821	5,181,373,599	1.58	5,666,659,436	4.09	529,756,259	2.07	755,799,883	6.95	12.17	.84	6,047	1,801	70.41
1896	183,394	5,373,187,619	1.52	5,461,856,798	4.33	535,120,756	2.03	773,868,716	7.32	12.0	.82	6,223	1,840	70.43
1897	183,517	5,602,961,449	1.51	5,434,432,492	4.06	504,106,525	2.03	788,385,448	7.37	11.55	.80	6,223	1,884	69.71
1898	184,894	5,581,522,858	1.70	5,635,363,534	4.03	514,982,888	1.90	912,973,833	4.96	11.55	.76	6,771	2,111	68.16
1899	187,781	5,742,181,181	1.92	5,611,876,027	4.12	537,977,301	2.00	975,789,941	6.63	11.13	.73	7,161	2,272	68.27
1900	192,162	5,804,346,250	2.44	5,758,542,754	4.12	584,698,935	2.03	1,071,431,919	5.05	9.98	.75	7,826	2,519	68.93
1901	195,887	5,978,796,249	2.65	6,035,469,741	4.12	600,455,790	2.03	1,084,066,451	5.57	9.92	.76	8,270	2,668	67.73
1902	199,685	6,078,240,546	2.97	6,465,290,839	4.03	655,130,236	2.01	1,192,136,510	5.78	10.60	.76	8,696	2,830	67.45
1903	206,886	6,357,207,335	3.03	6,722,216,517	4.00	696,908,994	2.05	1,299,684,081	6.17	11.33	.78	9,301	2,887	68.96
1904	211,074	6,447,045,374	3.31	6,905,743,103	3.71	719,173,676	2.06	1,273,077,475	5.02	11.11	.79	9,248	2,989	67.68
1905	211,944	6,741,953,825	3.27	7,425,231,901	4.16	745,446,641	2.03	1,435,321,748	6.44	10.26	.78	9,643	3,135	67.49
1906	218,433	7,106,408,976	3.63	7,851,107,778	3.71	815,774,118	2.01	1,610,099,829	6.48	10.50	.77	10,631	3,580	66.33

## Progress of the United States in its material industries, 1850 to 1908.

Year ending June 30—	Population.	Interest-bearing debt.	Annual interest charge.	Interest per capita.	Treasury receipts—net ordinary. a	Government expend- itures—net ordinary. b	Money in circulation.	Circula- tion per capita.	Bank Clearings.	
									New York.	Total of United States.
		Dollars.	Dollars.		Dollars.	Dollars.	Dollars.		Dollars.	Dollars.
1850.....	23,191,876	63,452,774	3,782,393	.16	43,592,889	40,948,383	278,761,982	12.02	5,750,000,000	No data.
1860.....	31,443,321	64,640,888	3,443,678	.11	56,954,690	63,200,876	435,407,252	13.85	7,231,143,057	"
1870.....	38,538,371	2,046,455,722	118,784,960	3.08	395,959,834	293,657,005	675,212,794	17.50	27,804,530,406	"
1880.....	43,971,000	1,722,676,300	96,855,691	2.20	284,020,771	274,623,393	754,101,947	17.13	25,061,237,902	"
1885.....	50,155,783	1,723,993,100	79,633,951	1.59	333,526,501	264,847,637	973,382,228	19.41	37,182,128,621	"
1890.....	56,118,090	1,496,150,950	47,014,133	.84	323,690,706	260,226,935	1,292,568,615	23.02	25,250,791,440	"
1891.....	62,622,250	725,313,110	29,417,603	.47	403,080,983	297,736,487	1,429,251,270	22.82	37,660,686,572	58,845,279,505
1892.....	63,844,000	610,529,120	23,615,736	.37	382,612,447	355,372,685	1,497,440,707	22.43	34,673,698,770	57,208,737,938
1893.....	65,036,000	585,029,390	22,893,883	.35	354,937,784	345,023,331	1,601,347,187	24.56	36,279,905,236	60,383,572,438
1894.....	66,349,000	585,037,100	22,894,194	.35	355,819,629	383,477,954	1,596,701,245	24.03	34,421,379,870	58,880,082,455
1895.....	67,632,000	635,041,800	25,391,386	.38	297,722,019	367,525,280	1,600,808,708	24.52	24,230,145,368	45,028,496,746
1896.....	68,934,000	716,202,000	29,140,792	.42	313,390,075	356,195,298	1,601,968,473	23.20	28,264,379,126	50,975,155,046
1897.....	70,254,000	847,363,890	34,387,266	.49	326,976,200	352,179,446	1,506,434,966	21.41	29,350,894,884	51,935,051,733
1898.....	71,592,000	847,365,130	34,387,315	.43	347,721,705	365,774,160	1,640,209,519	22.87	31,337,760,948	54,179,515,030
1899.....	72,947,000	847,367,470	34,387,409	.47	405,321,335	443,368,583	1,837,859,895	25.15	39,853,413,948	65,924,820,769
1900.....	74,318,000	1,046,045,750	40,347,873	.54	415,960,620	605,072,180	1,994,071,881	25.58	57,368,230,771	88,828,672,533
1901.....	76,303,387	1,023,478,860	33,545,130	.44	587,240,852	487,713,792	2,055,159,998	26.94	51,964,588,564	84,582,450,081
1902.....	77,647,000	987,141,010	29,789,153	.38	587,685,388	509,967,353	2,175,307,962	27.98	77,020,672,494	114,819,792,086
1903.....	79,003,000	931,070,340	27,542,946	.35	562,478,233	471,190,858	2,249,390,551	28.43	74,753,189,436	116,021,618,093
1904.....	80,372,000	914,541,410	25,541,573	.32	560,396,674	506,099,007	2,367,655,940	29.42	70,833,655,940	113,963,208,973
1905.....	81,752,000	895,158,340	24,176,745	.30	540,631,749	582,402,321	2,519,142,860	30.77	59,672,796,894	102,356,435,047
1906.....	83,143,000	895,159,140	24,176,781	.29	544,274,685	567,278,913	2,587,882,653	31.08	91,879,318,369	140,532,087,616
1907.....	84,216,433	895,159,140	23,248,064	.28	594,544,122	503,784,799	2,736,646,628	32.32	103,754,100,001	157,081,259,999
1908.....	85,817,239	894,834,280	21,628,914	.25	663,140,334	578,903,748	2,772,956,455	c32.22	95,315,421,238	154,662,515,258
1908.....	87,496,000	897,503,990	20,894,635	.23	599,895,763	659,552,125	3,045,457,239	34.81		

a "Net ordinary receipts" include receipts from customs, internal revenue, direct tax, public lands, and "miscellaneous," but do not include receipts from loans, premiums, or Treasury notes, or revenue of Post-Office Department.

b "Net ordinary expenses" include expenditures for War, Navy, Indians, pensions, payments for interest, and "miscellaneous," but do not include payments for premiums, principal of public debt, or expenditures for postal service paid from revenues thereof.

c As the result of special investigation by the Director of the Mint a reduction of \$135,000,000 was made in the estimate of gold coins in circulation of July 1, 1907, as compared with the basis of previous years.

Progress of the United States in its material industries.

Year.	Total deposits, including individual deposits in national banks.	Savings bank deposits.		Depositors in savings banks.		Life insurance in force.			Imports of merchandise.		Exports of merchandise.		Excess of exports over imports.		Exports of domestic manufactures.	
		Dollars.	Number.	Industrial.		Ordinary.		Total.	Dollars.	Total.	Dollars.	Total.	Dollars.	Total.	Dollars.	Total.
				Number of policies.	Amount.	Not stated.	Number of policies.	Amount.								
1850	Not stated.	43,431,130	251,354	Not stated.	Not stated.	Not stated.	Not stated.	Not stated.	173,503,526	173,503,526	141,375,726	141,375,726	229,138,890	229,138,890	23,223,103	23,223,103
1851	1,497,277,504	603,870	603,870	"	"	29,407	60,000	68,614,189	353,616,119	353,616,119	323,576,037	323,576,037	620,040,062	620,040,062	48,453,008	48,453,008
1852	549,874,353	1,630,846	1,630,846	"	"	839,226	679,690	130,000,000	435,958,103	435,958,103	392,771,768	392,771,768	643,186,640	643,186,640	70,010,845	70,010,845
1853	924,037,394	2,359,864	2,359,864	236,674	20,533,469	2,262,847,000	d926,497	2,262,847,000	533,005,136	533,005,136	513,442,711	513,442,711	619,562,725	619,562,725	101,931,517	101,931,517
1854	849,106,973	2,555,582	2,555,582	d1,780,372	d198,431,170	d2,365,696,617	679,690	d2,365,696,617	667,954,746	667,954,746	742,189,755	742,189,755	107,683,912	107,683,912	121,818,298	121,818,298
1855	1,095,172,147	3,071,495	3,071,495	8,883,529	429,521,128	3,020,657,439	1,319,561	3,020,657,439	577,527,329	577,527,329	857,823,684	857,823,684	164,062,426	164,062,426	130,356,178	130,356,178
1856	1,550,923,956	4,258,893	4,258,893	8,883,529	429,521,128	3,020,657,439	1,319,561	3,020,657,439	789,310,499	789,310,499	881,480,810	881,480,810	178,982,042	178,982,042	178,982,042	178,982,042
1857	1,651,820,142	4,533,517	4,533,517	4,319,817	481,919,116	1,465,459	1,465,459	481,919,116	844,916,196	844,916,196	1,030,278,118	1,030,278,118	202,875,686	202,875,686	183,076,682	183,076,682
1858	1,763,329,618	4,781,605	4,781,605	5,200,777	583,527,016	1,531,231	1,531,231	4,314,204,343	827,402,462	827,402,462	817,655,194	817,655,194	218,735,728	218,735,728	173,003,987	173,003,987
1859	1,838,800,262	4,830,509	4,830,509	5,751,514	602,070,129	1,754,303	1,754,303	4,823,774,851	866,400,922	866,400,922	892,145,572	892,145,572	237,145,950	237,145,950	202,804,463	202,804,463
1860	1,777,833,242	4,777,687	4,777,687	6,932,757	800,916,170	1,868,954	1,868,954	4,765,220,494	731,969,965	731,969,965	807,538,165	807,538,165	75,568,200	75,568,200	207,057,865	207,057,865
1861	1,844,357,798	4,875,519	4,875,519	6,932,757	820,710,641	1,940,945	1,940,945	4,917,694,131	779,724,674	779,724,674	882,606,938	882,606,938	102,882,264	102,882,264	253,008,885	253,008,885
1862	1,935,466,468	5,065,494	5,065,494	7,388,119	888,266,586	2,024,927	2,024,927	5,017,800,906	764,730,412	764,730,412	1,050,993,556	1,050,993,556	286,203,144	286,203,144	311,143,365	311,143,365
1863	1,983,413,564	5,201,132	5,201,132	8,005,394	996,139,424	2,201,930	2,201,930	5,320,980,618	616,049,654	616,049,654	1,231,482,359	1,231,482,359	615,432,676	615,432,676	321,527,921	321,527,921
1864	2,023,206,409	5,285,746	5,285,746	8,768,480	1,120,973,519	2,419,850	2,419,850	5,714,964,251	697,118,489	697,118,489	1,227,023,302	1,227,023,302	529,874,813	529,874,813	380,336,843	380,336,843
1865	2,182,006,424	5,687,818	5,687,818	10,050,847	1,238,125,822	2,820,961	2,820,961	6,481,154,453	849,911,184	849,911,184	1,394,483,082	1,394,483,082	544,541,808	544,541,808	484,846,235	484,846,235
1866	2,389,719,951	6,107,088	6,107,088	11,219,296	1,468,086,366	3,176,650	3,176,650	7,093,152,380	960,911,184	960,911,184	1,877,761,991	1,877,761,991	684,592,826	684,592,826	465,777,992	465,777,992
1867	2,516,843,293	6,358,723	6,358,723	12,337,022	1,640,857,583	3,693,702	3,693,702	7,972,980,395	823,172,165	823,172,165	1,877,761,991	1,877,761,991	684,592,826	684,592,826	465,777,992	465,777,992
1868	2,650,101,186	6,666,672	6,666,672	13,418,124	1,806,880,854	4,160,083	4,160,083	8,791,587,912	908,320,918	908,320,918	1,877,761,991	1,877,761,991	684,592,826	684,592,826	465,777,992	465,777,992
1869	2,815,183,166	7,035,228	7,035,228	14,603,694	1,977,599,397	4,694,021	4,694,021	9,593,008,113	1,025,719,237	1,025,719,237	1,877,761,991	1,877,761,991	684,592,826	684,592,826	465,777,992	465,777,992
1870	2,913,775,329	7,305,443	7,305,443	15,674,331	2,135,879,103	5,507,759	5,507,759	10,412,078,338	1,117,513,071	1,117,513,071	1,877,761,991	1,877,761,991	684,592,826	684,592,826	465,777,992	465,777,992
1871	3,033,077,357	7,696,229	7,696,229	16,872,583	2,309,754,235	5,621,417	5,621,417	11,051,253,524	1,226,562,446	1,226,562,446	1,877,761,991	1,877,761,991	684,592,826	684,592,826	465,777,992	465,777,992
1872	3,269,544,691	8,027,192	8,027,192	17,841,306	2,453,616,297	5,792,856	5,792,856	11,253,194,077	1,341,421,425	1,341,421,425	1,877,761,991	1,877,761,991	684,592,826	684,592,826	465,777,992	465,777,992
1873	3,495,410,087	8,588,811	8,588,811						e1,185,900,000	e1,185,900,000	e1,859,000,000	e1,859,000,000	e674,000,000	e674,000,000	e751,000,000	e751,000,000

a Exclusive of Illinois State banks having savings departments.

b Includes depositors in Illinois State banks having savings departments, for number of which see Report of Comptroller of the Currency.

c Excess of imports over exports.

d 1880.

e June estimated.



## Progress of the United States in its material industries—Continued.

Year ending June 30—	Imports of raw material for manufac- turing.	Gold, excess of exports over imports.	Exports to Asia.	Exports to Oceania.	Imports of crude rubber.	Imports of pig tin.	Imports of tin plates.	Production.			
								Tin plates.	Coal.	Pig iron.	Steel.
	Dollars.	Dollars.	Dollars.	Dollars.	Pounds.	Dollars.	Pounds.	Pounds.	Tons.	Tons.	Tons.
1850	11,711,266	2,782,921	3,051,720	208,129	—	654,410	—	—	6,266,233	563,755	—
1860	37,073,022	55,937,253	11,067,921	5,373,497	—	1,130,509	—	—	13,014,680	821,223	—
1870	53,118,022	21,579,012	10,972,064	4,334,991	9,624,068	1,934,233	150,932,768	—	25,213,012	1,665,179	30,37
1875	78,891,769	53,284,184	13,972,305	4,276,979	12,035,909	2,327,212	190,603,200	—	46,730,571	2,023,733	259,619
1880	131,861,617	677,119,371	11,645,703	6,846,698	16,826,009	379,962,840	—	—	63,822,830	3,835,191	1,247,335
1885	196,774,553	648,213,991	20,739,972	13,605,468	24,208,148	4,283,460	597,151,935	—	90,250,263	4,044,525	861,373
1890	170,637,250	4,331,149	19,696,820	16,460,269	33,842,374	6,886,900	680,000,925	—	140,886,931	9,202,703	953,750
1891	181,175,197	68,139,087	27,553,308	18,621,801	33,712,069	7,977,545	1,000,489,974	42,236,743	150,535,954	8,279,870	1,513,045
1892	188,317,595	495,873	19,540,350	15,572,767	39,976,205	8,697,870	422,176,202	42,119,192	100,115,242	9,157,000	1,871,425
1893	200,277,112	97,506,463	16,222,354	11,199,477	41,547,680	12,359,999	628,425,992	123,603,707	162,814,977	9,127,581	1,278,936
1894	130,086,011	4,528,942	20,872,761	11,914,182	33,757,783	2,640,770	454,160,826	166,343,199	152,447,791	7,124,502	1,541,407
1895	180,939,902	30,683,721	17,325,057	13,100,231	30,741,607	6,787,424	563,038,938	254,611,305	172,426,366	6,657,888	4,412,632
1896	197,646,852	78,884,882	26,606,029	17,197,229	36,774,460	6,761,716	885,138,983	359,208,798	171,416,300	8,623,127	6,114,834
1897	196,159,371	644,633,200	39,274,905	22,003,022	46,055,497	8,776,151	171,662,345	574,779,520	178,776,070	9,952,680	1,300,325
1898	180,322,244	44,767,791	44,767,791	22,003,022	51,063,066	11,843,857	106,484,826	732,280,608	196,467,381	11,773,931	1,117,693
1899	208,565,691	671,432,517	48,360,161	29,875,015	55,275,329	8,776,151	171,662,345	808,369,600	226,554,636	9,952,680	7,156,957
1900	276,241,152	3,693,575	64,913,307	43,391,275	50,113,481	11,843,857	106,484,826	819,094,023	240,780,319	13,620,703	8,932,857
1901	218,006,751	64,913,307	64,913,307	35,392,401	55,275,329	19,805,552	117,880,312	894,411,810	261,874,836	13,789,242	10,188,329
1902	303,091,868	63,452,394	63,944,077	34,258,011	50,113,481	19,461,886	128,909,360	806,406,000	319,277,178	17,821,307	13,473,595
1903	330,491,084	62,408,583	58,359,016	32,658,512	50,113,481	23,618,892	109,913,203	1,075,200,000	319,068,229	18,009,252	2,911,121
1904	320,794,431	67,595,382	60,151,347	32,850,681	59,015,551	21,486,311	128,909,360	1,026,384,851	314,121,784	16,497,032	2,491,810
1905	389,160,658	38,945,063	128,504,610	33,079,446	67,234,256	23,378,471	161,006,820	1,105,446,000	350,820,840	20,992,380	2,283,840
1906	414,687,999	657,648,139	105,451,610	35,111,751	57,844,315	36,932,998	120,819,732	1,293,738,880	369,783,284	25,307,191	3,375,611
1907	477,027,174	663,111,073	92,703,664	41,186,193	76,963,838	38,117,459	142,529,106	—	—	—	—
1908	6360,000,000	e102,000,000	e102,000,000	e47,000,000	e62,000,000	e26,000,000	e141,000,000	—	—	—	—

a Hawaiian Islands not included since 1900.

b Last six months.

c Excess imports.

d Last six months.

e June estimated.

## Progress of the United States in its material industries—Continued.

Production—Continued.					Farm animals.				Railroads.											
Minerals, total value.	Cotton, total value.	Beet sugar	Wool.		Raw silk imports.	Cotton retained for con- sump- tion.		Total value.		Horses.		Cattle.		Sheep.		Net traffic earnings.	Dividends paid.	Passengers carried one mile.	Freight carried one mile.	Placed under re- ceiv- erships.
			Bales.	Pounds.		Bales.	Pounds.	Dollars.	Number.	Dollars.	Number.	Dollars.	Number.	Dollars.	Number.					
1850—	2,333,718	—	52,516,975	—	—	595,000	544,180,516	4,336,719	17,778,907	21,773,220	—	—	—	—	—	—	—	—	—	—
1860—	4,861,293	—	60,241,915	—	—	979,000	1,089,329,915	6,239,174	25,616,019	22,471,275	—	—	—	—	—	—	—	—	—	—
1870—	3,114,512	—	162,600,000	—	583,589	867,000	1,524,869,149	8,218,800	25,481,100	40,853,000	—	—	—	—	—	—	—	—	—	—
1875—	3,827,845	—	181,000,000	—	1,101,681	1,201,000	1,438,233,086	9,504,200	27,220,200	33,783,600	—	—	—	—	—	—	—	—	—	—
1880—	5,761,252	1,200	232,500,000	—	2,562,236	1,795,000	1,576,917,556	11,504,572	43,771,295	40,765,000	—	—	—	—	—	—	—	—	—	—
1885—	5,706,165	953	368,600,000	—	4,908,908	1,753,000	2,456,428,333	11,201,800	33,253,000	50,360,243	268,615,933	76,112,105	9,133,673,958	49,151,894,469	2,336					
1890—	6,064,736	2,203	276,000,000	—	7,510,440	2,325,000	2,418,766,028	14,213,837	62,901,907	44,836,072	312,071,296	82,575,705	12,521,565,619	79,192,985,125	2,968					
1891—	6,053,859	3,450	285,000,000	—	6,260,629	2,610,000	2,329,787,770	14,056,750	52,895,239	43,421,136	350,748,443	89,039,757	13,316,925,239	81,250,154,523	2,159					
1892—	6,222,543	5,356	294,000,000	—	8,834,019	2,846,000	2,461,755,698	15,496,140	54,067,590	44,938,365	352,817,405	93,682,412	13,581,843,804	84,443,197,130	10,508					
1893—	543,693,967	12,018	303,153,000	—	8,497,477	2,375,477	2,483,563,681	16,206,802	52,378,283	47,273,563	317,757,390	83,478,669	13,690,531,635	92,219,900,498	7,025					
1894—	549,374,767	19,950	296,057,381	—	5,902,483	2,291,000	2,176,816,754	16,031,139	53,075,508	45,048,017	323,196,464	81,685,774	12,604,082,551	88,587,770,891	4,089					
1895—	6,017,111,528	20,092	309,748,000	—	9,316,460	2,571,000	1,819,446,305	15,803,318	50,838,815	42,294,934	332,706,979	84,523,151	13,051,840,213	93,885,851,631	5,411					
1896—	6,404,514,221	29,220	272,474,708	—	9,363,987	2,565,000	1,727,926,084	15,124,057	46,450,135	36,818,648	342,792,020	82,069,610	12,494,958,000	97,842,560,150	1,537					
1897—	6,464,922,582	37,536	259,153,251	—	7,993,444	2,792,000	1,655,414,612	14,334,667	46,450,135	37,636,963	389,663,474	94,867,523	13,672,497,661	114,586,173,191	2,009					
1898—	724,272,854	40,398	266,720,684	—	12,087,931	3,465,000	1,838,654,925	13,960,911	45,165,083	39,114,453	447,741,014	100,652,252	14,853,541,965	126,991,703,110	1,019					
1899—	1,014,355,705	32,471	272,191,330	—	11,250,283	3,622,000	1,997,016,407	13,665,307	43,894,340	39,114,453	447,741,014	100,652,252	14,853,541,965	126,991,703,110	1,019					
1900—	1,107,031,892	72,944	288,630,621	—	13,073,718	3,844,000	2,228,123,134	13,587,524	43,902,414	41,883,965	483,247,526	140,313,653	16,813,284,471	141,162,100,413	1,165					
1901—	1,142,000,029	72,944	288,630,621	—	13,073,718	3,844,000	3,011,254,976	16,744,723	62,333,570	59,756,719	520,294,727	156,887,283	17,789,669,925	148,949,303,492	73					
1902—	1,323,102,717	10,680,680	316,341,032	—	14,234,895	4,083,000	2,969,170,150	16,531,221	61,424,593	62,083,631	560,923,277	178,173,752	20,895,375,853	156,621,166,024	278					
1903—	1,491,928,980	10,727,550	316,341,032	—	15,270,593	3,270,859	3,162,515,540	16,857,371	61,764,433	63,964,876	592,508,512	190,074,425	20,895,375,853	171,290,310,685	229					
1904—	1,362,117,252	10,711,374	291,783,032	—	16,722,703	3,935,000	2,998,247,479	16,736,053	61,049,315	54,630,144	639,240,027	211,640,227	22,168,384,473	172,613,027,474	744					
1905—	1,623,928,720	13,565,885	295,488,438	—	22,357,397	4,562,000	3,006,580,737	17,037,701	61,241,907	45,170,423	685,464,488	216,067,938	23,993,420,668	187,375,621,537	3,593					
1906—	1,902,517,565	11,345,988	298,915,130	—	18,743,901	4,627,000	3,675,380,442	18,718,578	66,861,522	50,631,019	790,187,712	253,340,925	25,842,462,029	216,653,795,696	204					
1907—	—	—	298,294,750	—	18,743,901	5,005,000	4,423,697,853	19,746,583	72,533,996	53,246,282	—	—	—	—	—	—	—	—	—	317
1908—	—	—	—	—	16,000,000	—	4,331,230,000	19,992,000	71,267,000	54,631,000	—	—	—	—	—	—	—	—	—	—

a June estimated.

## Progress of the United States in its material industries—Continued.

Year ending June 30—	Railroads—Continued.				Tonnage of vessels passing through Sault Ste. Marie Canal.	Failures, liabilities of.	Post-office receipts.	Wheat, farm value per bushel Dec. 1.	Corn, farm value per bushel Dec. 1.	Homestead entries.	Immigrants arrived.
	Sold under foreclosure.	Built.	Miles in operation.	Average receipts per ton per mile.							
	Miles.	Miles.		Cents.	Registered tons.	Dollars.	Dollars.	Cents.	Cents.	Acres.	
1870	---	---	9,021	---	408,657	79,807,000	5,489,985	---	---	---	310,004
1880	---	1,656	30,626	---	680,826	88,242,000	8,513,067	---	---	---	150,237
1870	---	1,887	52,922	---	1,250,534	201,090,000	19,772,221	94.4	49.4	---	337,203
1875	3,867	6,078	74,096	---	1,784,890	65,752,000	26,791,361	89.5	36.7	---	227,498
1880	3,775	6,711	93,267	---	2,035,937	124,220,321	33,315,479	95.1	39.6	---	457,257
1885	3,153	2,975	128,320	1.66	8,454,435	189,856,964	42,560,814	77.1	32.8	---	395,346
1890	3,825	5,427	166,703	.93	8,400,635	189,898,633	60,882,093	83.8	50.6	5,531,678	455,302
1891	3,223	4,026	170,729	.93	10,617,203	114,044,167	65,931,786	83.9	40.6	5,040,393	560,319
1892	1,922	4,441	175,170	.94	8,919,754	172,082,566	70,930,476	62.4	39.4	7,716,032	623,034
1893	1,613	2,346	177,515	.89	13,110,366	173,196,030	75,890,903	53.3	36.5	6,303,792	502,917
1894	5,643	1,899	179,415	.86	16,806,781	172,082,566	75,083,479	49.1	25.3	8,046,938	314,467
1895	12,831	1,709	181,115	.81	17,219,413	226,096,834	82,499,203	50.9	21.5	5,000,491	279,948
1896	13,730	1,654	182,769	.82	17,619,933	154,332,071	82,499,203	72.6	21.5	4,830,315	343,237
1897	6,675	1,822	184,591	.80	18,632,754	130,662,899	89,012,619	80.8	26.3	4,452,290	230,832
1898	6,054	2,219	186,810	.76	21,978,847	90,879,889	95,021,384	58.2	28.7	6,206,578	229,299
1899	4,294	3,008	190,818	.73	22,315,834	138,495,673	102,354,579	58.4	30.3	6,177,587	311,715
1900	3,477	3,444	194,262	.75	24,626,976	113,092,376	102,354,579	61.9	35.7	8,478,109	443,572
1901	1,139	4,481	198,743	.76	31,355,582	117,476,769	111,631,193	62.4	60.5	9,497,275	467,918
1902	693	4,195	202,938	.76	27,736,444	155,444,185	121,848,047	63.0	40.3	14,033,246	648,743
1907	555	4,307	207,335	.73	24,361,138	144,202,311	134,224,413	69.5	42.5	11,193,120	857,046
1904	524	5,059	212,394	.79	36,617,699	102,676,172	143,582,624	92.4	44.1	10,171,266	812,870
1905	679	4,947	217,341	.78	41,008,324	167,932,783	152,936,585	74.8	41.2	12,895,572	1,026,499
1906	202	5,394	222,635	.77	44,087,974	197,385,225	183,585,006	66.7	39.9	13,974,932	1,100,735
1907	---	---	---	---	---	---	---	---	---	---	---
1908	114	21,739	224,363	---	---	---	---	87.4	51.6	14,754,585	1,285,319

From preliminary report of Interstate Commerce Commission.



*Progress of the United States in its area, population, and material industries.*

[From the Monthly Summary of Commerce and Finance of the United States for February, 1903.]

[illegible]

## Progress of the United States in its area, population, and material industries--Continued.

Items.	1800.	1810.	1820.	1830.	1840.	1850.	1860.	1870.	1880.	1890.	1900.	1907.
Pensions	64,131	83,744	3,208,376	1,363,297	2,003,592	1,866,562	1,100,892	28,310,202	56,777,179	106,935,555	140,877,316	139,300,514
Interest on public debt	3,402,601	3,163,671	5,151,004	1,912,575	174,598	3,782,393	3,144,121	129,235,998	95,457,545	36,044,284	40,160,333	21,481,158
Imports of merchandise	91,252,768	85,400,000	74,450,000	62,720,956	98,278,706	175,509,526	353,616,110	437,938,408	667,934,746	789,310,409	849,911,181	1,431,421,425
Per capita	17.19	11.80	7.71	4.87	5.76	7.48	11.25	0.11.06	12.51	12.35	10.58	16.55
Exports of merchandise	70,971,789	66,767,970	69,691,669	71,670,735	123,608,932	144,375,726	338,576,057	392,771,768	835,638,678	857,828,684	1,394,483,082	1,880,851,078
Per capita	13.37	9.22	7.22	5.57	7.25	6.23	10.61	19.77	16.43	13.50	17.96	21.60
Imports--Silk, raw								582,589	2,562,236	7,510,440	13,073,718	18,743,904
Rubber, crude								9,624,008	16,826,049	33,842,374	49,377,138	76,993,838
Tin plates								150,932,768	379,902,880	680,090,925	147,963,804	142,529,406
Iron, steel, in frs. of								49,273,082	71,266,639	41,679,391	20,478,728	40,587,865
Domestic exports--Iron, steel, manufactures of												
Manufactures	52,144	94,914	46,552	322,747	1,137,877	1,953,792	5,870,114	13,483,163	14,716,524	25,542,208	121,913,548	181,530,871
Farm animals--Value												
Cattle								70,010,815	121,818,285	178,962,042	484,123,235	740,123,451
Horses								1,524,969,149	1,576,917,558	2,418,763,028	2,228,123,134	4,423,697,853
Sheep								25,484,100	33,258,000	52,801,907	43,902,414	79,583,996
Mules								8,278,800	11,204,869	14,213,837	13,537,524	19,746,383
Swine								40,853,000	40,765,909	41,333,072	41,833,065	53,240,282
Production of gold								1,179,500	1,729,500	2,331,027	2,086,027	3,816,692
Silver, commercial value								26,751,400	34,034,190	51,602,780	37,079,356	54,794,439
Coal								50,000,000	36,000,000	32,845,000	79,171,000	889,690,399
Petroleum								16,434,000	34,717,000	57,242,100	35,741,100	837,571,580
Pig iron								26,496,054	63,822,838	140,866,931	240,789,310	336,783,281
Steel								220,951,200	1,104,017,163	1,924,552,224	2,672,062,218	3,312,746,312
Tin plates								1,665,179	3,835,101	9,202,703	13,789,242	25,781,361
Copper								68,750	1,247,335	4,277,071	10,188,329	223,398,136
Wood								12,600	27,000	115,066	270,588	1,400,735
Wheat								162,000,000	282,500,000	276,000,000	288,636,621	298,294,750
Corn								498,549,868	399,262,000	522,229,505	522,229,505	631,087,000
Cotton								1,094,255,000	1,717,434,543	1,489,970,000	2,105,102,516	2,592,320,000
Cane sugar								3,114,592	5,761,232	7,311,322	9,436,416	13,510,982
Sugar consumed								46,806	92,862	136,503	149,191	347,008
Cotton taken by mills								1,476,377	1,956,784	1,476,377	2,219,847	2,933,979
Domestic cotton exported								857,000	1,795,000	2,325,000	3,644,000	5,005,000
Railways operated								958,558,523	1,822,061,114	2,471,799,853	3,100,583,188	4,518,217,220
Passengers carried								52,922	93,267	166,703	194,262	222,635
Freight carried 1 mile								520,439,082	520,439,082	584,695,935	584,695,935	815,744,113
								79,192,985,125	141,162,109,413	216,653,795,696		



*Notes to accompanying tables entitled progress of the United States in its area, population, and material industries.*

- a Exclusive of Alaska and islands belonging to the United States.
- b Census figures.
- c True valuation of real and personal property.
- d 1904.
- e Total debt prior to 1855.
- f Figures for the years 1800 to 1850 include the total public debt.
- g Gold and silver cannot be stated separately prior to 1876. From 1862 to 1875, inclusive, gold and silver were not in circulation except on the Pacific coast, where it is estimated that the average specie circulation was about \$25,000,000, and this estimate is continued for the three following years under the head of gold. After that period gold was available for circulation.
- h Total specie in circulation. Gold and silver not separately stated prior to 1876.
- i As the result of a special investigation by the Director of the Mint, a reduction of \$135,000,000 was made in the estimate of gold coin in circulation on July 1, 1907, as compared with the basis of previous years.
- j Includes notes of Bank of United States; State-bank notes; demand notes of 1862 and 1863; fractional currency, 1863 to 1878; Treasury notes of 1890, 1891 to date; and currency certificates, act of June 8, 1872, 1892 to 1900.
- k 1905.
- l Exclusive of neighborhood industries and hand trades, included in previous years.
- m "Net ordinary receipts" include receipts from customs, internal revenue, direct tax, public lands, and "miscellaneous."
- n "Net ordinary expenses" include expenditures for War, Navy, Indians, pensions, interest, and "miscellaneous."
- o Imports for consumption after 1860.
- p Domestic exports only after 1860.
- q Includes mules.
- r Doctor Soetbeer's estimate averaged for the period.
- s Estimated by the Director of the Mint.
- t 1814.
- u 1906.
- v Last six months of 1901.
- w 1845.

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Cheap labor is not the sole end we seek in the United States. \* \* \* We desire not only well-paid labor, but want that labor steadily employed.—Hon. C. W. Fairbanks, at Kansas City, Mo., September 1, 1902.

We want no slave labor. Two million men with their blood wiped away slavery forever. We want no labor, either white or black, in a virtual state of serfdom. Labor must be free, with all the prerogatives which pertain to freedom.—Hon. C. W. Fairbanks, at Kansas City, Mo., September 1, 1902.

No argument is required to sustain the wisdom of a stable currency, for an unstable, fluctuating circulating medium unsettles and disturbs, and brings a train of evils which are as merciless and destructive as the ravages of war.—Hon. C. W. Fairbanks, in U. S. Senate, March 5, 1900.

The business men of our community as a whole are honest and their methods are sound. The President has never said otherwise. Indeed, it is chiefly in the interest of the great body of honest business men that he has made his fight for lawful business methods.—Hon. Wm. H. Taft, to Merchants and Manufacturers' Association, Boston, Mass.

The complaints that the courts are made for the rich and not for the poor has no foundation in fact in the attitude of the courts upon the merits of any controversy which may come before them, for the judges of this country are as free from prejudice in this respect as it is possible to be.—Hon. Wm. H. Taft, to the Civic Forum, New York City.

Not only is our home market equal to the international commerce of the entire world, but it is growing far more rapidly than international commerce. The internal commerce of the United States has grown from 7 billions in 1870 to 28 billions in 1908, while the international commerce has grown from 11 billions in 1870 to 28 billions in 1908; in other words, while the international commerce of the world is now two and one-half times as great as in 1870, the internal commerce of the United States is now four times as great as in that year and equals the entire commerce between all nations.—O. P. Austin, Chief of Bureau of Statistics.



*Value of gold coin and bullion imported into and exported from  
the United States, fiscal years since 1850.*

Year ending June 30—	Imports.	Exports.	Excess of imports over exports.	Excess of exports over imports.
1850	\$1,776,706	\$4,560,627		\$2,783,921
1851	3,569,090	22,836,913		19,267,823
1852	3,658,059	40,073,979		36,415,920
1853	2,427,358	25,442,858		23,015,502
1854	3,031,964	40,470,260		37,438,296
1855	1,092,802	55,109,215		54,016,413
1856	990,305	45,000,977		44,010,672
1857	6,654,636	65,282,053		58,578,017
1858	11,566,083	50,002,804		38,436,736
1859	2,125,397	61,103,033		58,982,636
1860	2,508,786	58,446,039		55,937,253
1861	42,291,930	27,423,973	\$14,867,957	
1862	13,907,011	35,439,903		21,532,892
1863	5,330,538	62,162,838		56,832,300
1864	11,176,709	100,061,634		88,884,925
1865	6,408,228	58,381,033		51,972,805
1866	8,196,261	71,197,309		63,001,048
1867	17,024,866	39,026,627		22,001,761
1868	8,787,443	73,396,344		64,608,901
1869	14,132,558	36,003,498		21,870,930
1870	12,066,950	33,635,962		21,579,012
1871	6,883,561	66,686,208		59,802,647
1872	8,717,458	49,548,760		40,831,302
1873	8,682,447	44,856,715		36,174,268
1874	19,503,137	34,042,420		14,539,283
1875	13,696,793	66,980,977		53,284,184
1876	7,992,709	31,177,050		23,184,341
1877	26,246,234	26,590,374		344,140
1878	18,330,245	9,204,455	4,125,760	
1879	5,624,948	4,587,614	1,037,334	
1880	80,758,396	3,639,025	77,119,371	
1881	100,031,259	2,565,132	97,466,127	
1882	34,377,054	32,587,880	1,789,174	
1883	17,734,149	11,600,888	6,133,261	
1884	22,831,317	41,081,957		18,250,640
1885	26,691,696	8,477,892	18,213,804	
1886	20,743,349	42,952,191		22,208,842
1887	42,910,601	9,701,187	33,209,414	
1888	43,934,317	18,376,234	25,558,083	
1889	10,284,858	59,952,295		49,667,427
1890	12,943,342	17,274,491		4,331,149
1891	18,232,567	86,362,654		68,130,087
1892	49,669,454	50,195,327		495,873
1893	21,174,881	108,680,844		87,506,463
1894	72,449,119	76,978,061		4,528,942
1895	86,384,760	66,468,481		30,083,721
1896	33,525,065	112,409,947		78,884,882
1897	85,014,780	40,361,580	44,653,200	
1898	120,391,674	15,466,391	104,925,283	
1899	88,954,603	37,522,086	51,432,517	
1900	44,573,184	48,266,759		3,693,575
1901	60,051,187	53,185,177	12,866,010	
1902	52,021,254	48,568,950	3,452,304	
1903	44,982,027	47,090,595		2,108,568
1904	99,055,333	81,459,986	17,595,387	
1905	53,648,961	92,594,024		38,945,063
1906	96,221,730	38,573,591	57,648,139	
1907	114,510,249	51,399,176	63,111,073	

The so-called negro domination is nothing but a dream and a nightmare of the past.—Hon. Wm. H. Taft, at Plymouth Church, Brooklyn.

I fancy the people will be found pretty well content with an Administration which did not hesitate to say, "Let no guilty man escape," and then enforced that order.—Hon. Albert J. Beveridge, in the Senate, April 1, 1904.

The greatness of our Nation, as shown in the struggle of the Civil War, is now everywhere recognized, and in the perspective of forty years there is none to decry or belittle it.—Hon. Wm. H. Taft, at Riverside Park, New York.

A condition of prosperity came with the policy of protection and a condition of adversity came when the theory of free trade was yielded to and this has been without an exception.—Hon. P. P. Campbell, in Congress, April 1, 1904.

Class appeals are dishonest; \* \* \* they calculate to separate those who should be united, for our economic interests are common and indivisible.—Maj. McKinley to Commercial Traveling Men's Republican Club, September 26, 1896.

*Production of gold and silver by principal countries, in 1906.*

[Includes all countries having a product of more than \$1,000,000 of either gold or silver.]

Country.	Gold.	Silver.	
	Value.	Coining value.	Commercial value.
North America:			
United States -----	\$94,373,800	\$73,073,600	\$33,256,400
Mexico -----	18,531,700	71,402,400	37,881,400
Canada -----	12,023,900	11,078,700	5,800,000
Africa -----	135,472,500	908,200	478,500
Australasia -----	82,391,400	18,407,700	9,637,000
Europe:			
Russia -----	19,494,700	214,900	112,500
Austria-Hungary -----	2,615,400	2,335,400	1,222,700
Germany -----	80,400	7,865,100	3,855,900
Italy -----	41,200	869,400	455,200
Spain -----		5,255,100	2,751,200
Greece -----		1,071,900	561,200
South America:			
Bolivia -----	18,800	4,004,200	2,096,300
Chile -----	948,500	514,400	269,300
Colombia -----	2,190,800	986,900	516,700
Brazil -----	2,403,000		
Guiana (British) -----	1,607,700		
Guiana (French) -----	1,839,700		
Peru -----	829,000	9,573,100	5,011,900
Central America -----	1,910,700	2,159,400	1,180,500
Asia:			
Japan -----	3,225,100	3,169,400	1,659,800
China -----	1,839,000		
Korea -----	2,250,000		
British India -----	12,087,700		
East Indies (British) -----	1,522,200		

Note.—Gold production of the United States in 1907 estimated at 90 million dollars; of the world, 403 millions.

We shall always need protective duties as long as our people insist upon a higher standard of wages and scale of living than prevail abroad.—Jas. M. Swank.

Arraying labor against capital is a public calamity and an irreparable injury to both.—Maj. McKinley to Commercial Traveling Men's Republican Club, September 26, 1896.

It is true, as Peter Cooper well said: "No goods purchased abroad are cheap that take the place of our own labor and our own raw material."—H. K. Thurber, in the American Economist.

The man or party that would seek to array labor against capital and capital against labor is the enemy of both.—Maj. McKinley at Canton, September 18, 1896.

The rich manifestations of our commercial power, our military and naval strength, great and splendid as they are, are not to be counted when compared with the moral and intellectual grandeur of our people.—Hon. C. W. Fairbanks, at Baldwin, Kas., June 7, 1901.

No lessons of experience and actual trial have been more valuable to us in working out our problem in the Philippines than those of General William Armstrong and Booker Washington in the uplifting of the negro race in the United States.—Hon. Wm. H. Taft, at Plymouth Church, Brooklyn.

While I fully recognize the fact that the Fifteenth Amendment has not accomplished all that it was intended to accomplish, and that for a time it seemed to be a dead letter, I am confident that in the end it will prove to be a bulwark equally beneficial with that of the Thirteenth and Fourteenth Amendments to an unfortunate and down-trodden, struggling race, to whom, in view of the circumstances under which they were brought to this country and the conditions in bondage in which they were continued for more than two centuries, we owe every obligation of care and protection. That which has been done for the benefit of the negro race is the work of the Republican party. It is one of those great issues presented by the exigencies of the war which the party had the firmness and courage to meet.—Hon. Wm. H. Taft, at Kansas City, Mo.

*Production of Gold and Silver in the United States from 1800  
to 1907.*

Year.	Gold.	Silver.	Total.
1800.....			
1810.....	d\$2,463		d\$2,463
1820.....	d73,112		d73,112
1830.....	d564,950	\$253,400	d818,350
1840.....	d11,697,829	252,300	d11,950,129
1850.....	50,000,000	50,900	50,050,900
1851.....	55,000,000	51,700	55,051,700
1852.....	60,000,000	51,300	60,051,300
1853.....	65,000,000	52,200	65,052,200
1854.....	60,000,000	52,200	60,052,200
1855.....	55,000,000	52,000	55,052,000
1856.....	55,000,000	52,000	55,052,000
1857.....	55,000,000	52,400	55,052,400
1858.....	50,000,000	52,000	50,052,000
1859.....	50,000,000	105,000	50,105,100
1860.....	46,000,000	156,800	46,156,800
1861.....	43,000,000	2,062,000	45,062,000
1862.....	39,200,000	4,684,800	43,884,800
1863.....	40,000,000	8,842,300	48,842,300
1864.....	46,100,000	11,443,000	57,543,000
1865.....	53,225,000	11,642,200	64,867,200
1866.....	53,500,000	10,356,400	63,856,400
1867.....	51,725,000	13,866,200	65,591,200
1868.....	48,000,000	12,306,900	60,306,900
1869.....	49,500,000	12,297,600	61,797,600
1870.....	50,000,000	16,434,000	66,434,000
1871.....	43,500,000	23,588,300	67,088,300
1872.....	36,000,000	29,396,400	65,396,400
1873.....	36,000,000	35,881,600	71,881,600
1874.....	33,490,900	36,917,500	70,408,400
1875.....	33,467,900	30,485,900	63,953,800
1876.....	39,929,200	34,919,800	74,849,000
1877.....	46,897,400	36,991,500	83,888,900
1878.....	51,208,400	40,401,000	91,607,400
1879.....	38,900,000	35,477,100	74,377,100
1880.....	36,000,000	34,717,000	70,717,000
1881.....	34,700,000	37,657,500	72,357,500
1882.....	32,530,000	41,105,900	73,635,900
1883.....	30,000,000	39,618,400	69,618,400
1884.....	30,800,000	41,921,300	72,721,300
1885.....	31,801,000	42,503,500	74,304,500
1886.....	35,869,000	39,482,400	75,351,400
1887.....	33,136,000	40,887,200	74,023,200
1888.....	33,167,500	43,045,100	76,212,600
1889.....	32,967,000	46,838,400	79,805,400
1890.....	32,845,000	57,242,100	90,087,100
1891.....	33,175,000	57,630,000	90,805,000
1892.....	33,015,000	55,662,500	88,677,500
1893.....	35,955,000	46,800,000	82,755,000
1894.....	39,500,000	31,422,100	70,922,100
1895.....	46,610,000	36,445,500	83,055,500
1896.....	53,088,000	39,654,600	92,742,600
1897.....	57,363,000	32,316,000	89,679,000
1898.....	64,463,000	32,118,400	96,581,400
1899.....	71,053,400	32,858,700	103,912,100
1900.....	79,171,000	35,741,100	114,912,100
1901.....	78,666,700	33,128,400	111,795,100
1902.....	80,000,000	29,415,000	109,415,000
1903.....	73,591,700	29,822,000	103,413,700
1904.....	80,464,700	33,456,000	113,920,700
1905.....	88,180,700	34,222,000	122,402,700
1906.....	94,373,800	38,256,400	132,630,200
1907.....	189,620,399	137,571,580	327,191,979

d Estimate averaged for the period.

A tax, and a stiff one, upon foreign manufacturers would be one of the most popular as well as one of the wisest imposts ever levied in this country. Either the foreign manufacturer would pay the duty or the home manufacturer would get the trade.—London Daily Telegraph, December 10, 1903.

In the first place it is said that the policy of the administration has been directed for the last four years against organized capital, and that it has thereby frightened investors. I deny it. The course of the administration has been directed against such organized capital as was violating the statutes of the United States—and no other. It had every consideration and desire to aid and assist organized capital which was engaged in legitimate business.—Hon. Wm. H. Taft, to Merchants and Manufacturers' Association, Boston, Mass.



*Coinage of the United States mints from 1850 to 1907.*

[From the report of the Director of the Mint.]

Calendar year.	Total coinage.			
	Gold.	Silver.	Minor.	Total.
	Dollars.	Dollars.	Dollars.	Dollars.
1850	31,981,738.50	1,866,100.00	44,467.50	33,892,306.00
1851	62,614,492.50	774,397.00	99,635.43	63,488,524.93
1852	56,846,187.50	999,410.00	50,630.94	57,896,228.44
1853	39,377,909.00	9,077,571.00	67,059.78	48,522,539.78
1854	25,915,962.50	8,619,270.00	42,638.35	34,577,870.85
1855	29,387,968.00	3,501,245.00	16,030.79	32,905,243.79
1856	36,857,768.50	5,142,240.00	27,106.78	42,027,115.28
1857	32,214,040.00	5,478,780.00	178,010.46	37,870,810.46
1858	22,938,413.50	8,495,370.00	246,000.00	31,679,783.50
1859	14,780,570.00	3,284,450.00	361,000.00	18,426,020.00
1860	23,473,654.00	2,259,390.00	205,660.00	25,938,704.00
1861	83,305,530.00	3,783,740.00	101,000.00	87,290,270.00
1862	20,875,997.50	1,252,516.50	280,750.00	22,409,264.00
1863	22,445,482.00	809,267.80	498,400.00	23,753,149.80
1864	20,081,415.00	609,917.10	926,687.14	21,618,019.24
1865	28,295,107.50	691,005.00	968,552.86	29,954,665.36
1866	31,435,945.00	982,409.25	1,042,960.00	33,461,314.25
1867	23,828,625.00	908,876.25	1,819,910.00	26,557,411.25
1868	19,371,887.50	1,074,343.00	1,697,150.00	22,142,880.50
1869	17,582,987.50	1,266,143.00	963,000.00	19,812,130.50
1870	23,198,787.50	1,378,255.50	350,325.00	24,927,368.00
1871	21,032,685.00	3,104,038.30	99,890.00	24,236,613.30
1872	21,812,645.00	2,504,488.50	369,880.00	24,686,913.50
1873	57,022,747.50	4,024,747.60	379,455.00	61,426,950.10
1874	35,251,630.00	6,851,776.70	342,475.00	42,448,881.70
1875	32,951,910.00	15,347,893.00	246,970.00	48,546,803.00
1876	46,579,452.50	24,503,307.50	210,800.00	71,293,560.00
1877	43,999,864.00	28,303,015.50	8,525.00	72,401,434.50
1878	49,786,052.00	28,518,850.00	58,186.50	78,363,088.50
1879	39,080,080.00	27,569,776.00	165,003.00	66,814,859.00
1880	62,308,279.00	27,411,693.75	391,395.95	90,111,368.70
1881	96,850,890.00	27,940,163.75	428,151.75	125,219,205.50
1882	65,887,685.00	27,973,132.00	960,400.00	94,821,217.00
1883	29,211,990.00	29,246,968.45	1,601,770.41	60,073,728.86
1884	23,091,756.50	28,561,866.15	796,483.60	53,323,103.45
1885	27,773,012.50	28,962,176.20	191,622.04	56,926,810.74
1886	28,915,512.00	32,086,709.90	343,186.10	61,375,438.00
1887	23,972,383.00	35,191,081.40	1,215,686.26	60,379,150.66
1888	31,380,808.00	33,025,606.45	912,200.78	65,318,615.23
1889	21,413,931.00	35,496,683.15	1,283,408.49	58,194,022.64
1890	20,467,182.50	39,202,908.20	1,384,792.14	61,054,882.84
1891	29,222,005.00	27,518,858.60	1,312,441.00	58,053,302.60
1892	34,787,222.50	12,611,078.00	961,480.42	48,359,780.92
1893	56,997,020.00	8,802,797.30	1,134,931.70	66,934,749.00
1894	79,546,160.00	9,200,350.85	438,177.92	89,184,688.77
1895	59,616,357.50	5,698,010.25	882,430.56	66,196,798.31
1896	47,053,000.00	23,089,899.05	832,718.93	70,975,617.98
1897	76,028,485.00	18,487,297.30	1,526,100.05	96,041,882.35
1898	77,985,757.00	23,034,033.45	1,124,835.14	102,144,625.59
1899	111,344,220.00	26,061,519.90	1,837,451.86	139,243,191.76
1900	99,272,942.50	36,315,321.45	2,031,137.39	137,619,401.34
1901	101,735,187.50	30,893,460.75	2,120,122.08	134,748,770.33
1902	47,181,932.50	30,028,167.20	2,447,796.17	79,657,895.87
1903	43,683,970.50	19,874,440.00	2,251,281.18	65,809,691.68
1904	233,402,428.00	15,695,609.95	1,683,529.35	250,781,567.30
1905	49,638,441.00	6,332,180.90	2,298,555.43	58,269,177.33
1906	77,538,045.00	10,651,087.85	2,890,908.80	91,080,041.65
1907	131,907,490.00	13,178,435.75	3,042,126.18	148,128,051.93

The credit of the Government, the integrity of its currency, and the inviolability of its obligations must be preserved.—President McKinley's Inaugural.

Evils are to be suppressed by definite and practical measures—not by oratory or denunciation.—Hon. Wm. H. Taft, at Greensboro, North Carolina.

The success of the United States in material development is the most illustrious of modern times. It is my deliberate judgment that the prosperity of America is due mainly to its system of protective laws.—Prince Bismarck.

The Democratic leaders have been for years making loud declarations against corporations and trusts and railroads and have, nevertheless, instituted no legislative steps in all this time for the purpose of restraining abuses. They are now indignant that the Republican party, in carrying out the promises of its own platform, is putting into practice the principles which they, with a superb self-complacency, claim are really covered by a Democratic patent.—Hon. Wm. H. Taft, at Greensboro, North Carolina.

*Production of gold and silver in the world since the discovery of America.*

[From 1493 to 1885, from a table of averages compiled by Dr. Adolph Soetbeer; since the latter date, the estimates of the Director of the Mint.]

Period.	Gold.			Silver.		
	Total for period.		Annual average for period.	Total for period.		Annual average for period.
	Ounces, fine.	Value.		Ounces, fine.	Coining value.	
		Dollars.	Dollars.		Dollars.	Dollars.
1493-1520.	5,221,160	107,931,000	3,855,000	42,309,400	54,703,000	1,954,000
1521-1544.	5,524,658	114,205,000	4,759,000	69,698,320	89,986,000	3,740,000
1545-1560.	4,377,544	90,492,000	5,656,000	160,287,040	207,240,000	12,952,000
1561-1580.	4,398,120	90,917,000	4,546,000	192,578,500	248,990,000	12,450,000
1601-1620.	5,478,360	113,248,000	5,662,000	271,924,700	351,579,000	17,579,000
1581-1600.	4,745,340	98,005,000	4,905,000	269,352,700	348,254,000	17,413,000
1621-1640.	5,336,900	110,324,000	5,516,000	253,084,800	327,221,000	16,361,000
1641-1660.	5,639,110	116,571,000	5,828,000	235,530,900	304,525,000	15,226,000
1661-1680.	5,954,180	123,084,000	6,154,000	216,691,000	280,166,000	14,008,000
1681-1700.	6,921,895	143,038,000	7,154,000	219,841,700	284,240,000	14,212,000
1701-1720.	8,243,260	170,403,000	8,520,000	228,650,800	295,629,000	14,781,000
1721-1740.	12,268,440	253,611,000	12,681,000	277,261,600	358,480,000	17,924,000
1741-1760.	15,824,230	327,116,000	16,356,000	342,812,235	448,282,000	22,162,000
1761-1780.	13,313,315	275,211,000	13,781,000	419,711,820	542,658,000	27,133,000
1781-1800.	11,438,970	236,464,000	11,823,000	565,235,580	730,810,000	36,540,000
1801-1810.	5,715,627	118,182,000	11,815,000	287,469,225	371,677,000	37,168,000
1811-1820.	3,679,568	76,063,000	7,606,000	173,857,555	224,786,000	22,479,000
1821-1830.	4,570,444	94,479,000	9,448,000	148,070,040	191,444,000	19,144,000
1831-1840.	6,522,913	134,841,000	13,484,000	191,758,675	247,930,000	24,793,000
1841-1850.	17,605,018	363,928,000	36,898,000	250,903,422	324,400,000	32,440,000
1851-1855.	32,051,621	662,566,000	132,513,000	142,442,988	184,169,000	36,834,000
1856-1860.	32,481,312	670,415,000	124,083,000	145,477,142	188,092,000	37,618,000
1861-1865.	29,747,918	614,944,000	122,989,000	177,009,862	228,861,000	45,772,000
1866-1870.	31,350,430	648,071,000	129,614,000	215,257,914	278,313,000	55,663,000
1871-1875.	27,955,068	577,833,000	115,577,000	316,585,069	409,322,000	81,864,000
1876-1880.	27,715,550	572,931,000	114,588,000	393,878,000	509,256,000	101,851,000
1881-1885.	23,973,778	495,582,000	99,116,000	460,019,722	594,773,000	118,955,000
1886-1890.	27,306,411	564,474,000	112,895,000	544,557,155	704,074,000	140,815,000
1891.	6,820,194	130,650,000	130,650,000	137,170,919	177,352,300	177,352,300
1892.	7,094,268	146,651,500	146,651,500	153,151,762	198,014,400	198,014,400
1893.	7,618,811	157,494,800	157,494,800	165,472,621	213,944,400	213,944,400
1894.	8,764,362	181,175,600	181,175,600	164,610,394	212,829,600	212,829,600
1895.	9,615,190	198,763,600	198,763,600	167,800,960	216,566,900	216,566,900
1896.	9,783,914	202,251,600	202,251,600	157,061,870	203,069,200	203,069,200
1897.	11,420,068	236,073,700	236,073,700	160,421,082	207,413,000	207,413,000
1898.	13,877,806	286,879,700	286,879,700	169,055,253	218,576,800	218,576,800
1899.	14,837,775	306,724,100	306,724,100	168,337,453	217,648,200	217,648,200
1900.	12,315,135	254,576,300	254,576,300	173,591,364	224,441,200	224,441,200
1901.	12,625,257	260,992,900	260,992,900	173,011,283	223,691,300	223,691,300
1902.	14,354,680	296,737,600	296,737,600	162,763,483	210,441,900	210,441,900
1903.	15,852,620	327,702,200	327,702,200	167,689,322	216,810,300	216,810,300
1904.	16,804,372	347,377,200	347,377,200	164,195,266	212,292,900	212,292,900
1905.	18,268,696	377,647,700	377,647,700	169,588,839	219,266,300	219,266,300
1906.	19,366,550	400,342,100	400,342,100	165,754,843	214,309,200	214,309,200
1907.	-----	403,000,000	403,000,000	-----	-----	-----
Total	584,231,094	12,480,180,600	-----	9,831,534,085	12,711,478,300	-----

The depression and ruin that was inaugurated with that tariff revision by the Democratic party is vivid in the minds of all.—Hon. P. P. Campbell, in Congress, April 1, 1904.

The railways can blame no one but themselves if the revelation of the flagrant violations of law and of their unjust administration of a public trust have led to an outburst of popular indignation and have brought on temporary excess.—Hon. Wm. H. Taft, at Columbus, Ohio.

The nation has appreciated the valor and patriotism of the black men of the United States. They not only fought in Cuba, but in the Philippines, and they are still carrying the flag as the symbol of liberty and hope to an oppressed people.—President McKinley to colored citizens, at Chicago, Oct.

Much money has been spent on sea harbors and the mouths of our rivers at the sea, but comparatively little upon the internal waterways which nature has furnished to the country, and which form highways of travel from one border of it to the other. The call from the country for the development of a well-thought-out plan for the improvement of all these waterways is so emphatic that it cannot longer be resisted.—Hon. Wm. H. Taft, at Kansas City, Mo.



*Growth in coal production in free-trade Great Britain, compared with that of the protection countries, United States, Germany, and France; also the total coal production of the world and the per cent supplied by the United States at quinquennial periods from 1870 to 1895, and annually from 1896 to 1906, in tons of 2,000 pounds.*

[From reports of the United States Geological Survey.]

Year.	United States.	Great Britain.	Germany.	France.	Total production of the world.	Per cent of U.S.
	Short tons.	Short tons.	Short tons.	Short tons.	Short tons.	
1870-----	33,035,580	123,682,935	37,488,312	14,530,716	234,850,088	14.07
1875-----	52,348,320	149,303,263	52,703,970	18,694,916	308,479,177	16.97
1880-----	71,481,570	164,605,738	65,177,634	21,346,124	369,413,780	20.62
1885-----	111,160,295	178,473,588	81,227,255	21,510,359	447,783,802	24.82
1890-----	157,770,963	203,408,003	98,398,500	28,756,638	563,693,232	27.99
1895-----	193,117,530	212,320,725	114,561,318	30,877,922	644,177,076	29.98
1896-----	191,986,357	218,804,611	123,943,159	32,167,270	664,001,718	28.92
1897-----	200,229,199	226,385,523	132,762,882	33,938,987	697,123,515	28.72
1898-----	219,976,267	226,301,058	144,283,196	35,656,426	738,129,608	29.80
1899-----	253,741,192	246,506,155	149,719,766	36,215,026	801,976,021	31.63
1900-----	269,684,027	252,203,056	164,805,202	36,811,536	848,041,848	31.88
1901-----	293,299,816	245,332,578	168,217,082	35,596,536	870,711,044	33.69
1902-----	301,590,439	254,346,447	165,826,496	33,236,146	888,453,950	33.95
1903-----	357,356,416	257,974,605	179,076,630	38,466,873	972,195,531	36.76
1904-----	351,816,398	260,319,665	186,785,378	37,663,349	983,527,562	35.78
1905-----	392,722,635	261,461,408	191,576,074	38,951,360	1,034,156,604	37.98
1906-----	414,157,278	281,196,743	222,350,526	37,828,931	*1,106,478,707	37.43

\*Latest available figures are used in making up totals for 1906.

(From page 620, Mineral Resources of the United States, 1906.)

#### *Our exports to the Orient in 1907 compared with 1890.*

The following table shows the exportation of leading articles from the United States to China, Hongkong, Japan, Asiatic Russia, Australasia, Hawaii, and the Philippine Islands in the fiscal years 1890, 1897, and 1907, respectively:

Articles.	1890.	1897.	1907.
	Dollars.	Dollars.	Dollars.
Iron and steel, manufactures of-----	2,928,971	7,651,014	23,771,958
Cotton cloth-----	1,532,181	7,767,361	8,544,451
Mineral oils-----	7,246,111	10,785,435	15,022,782
Breadstuffs-----	3,521,936	8,265,865	19,369,831
Cotton, and manufactures of-----	85,211	2,354,758	14,317,085
Tobacco, and manufactures of-----	2,017,508	2,127,181	6,151,259
Wood, and manufactures of-----	2,117,053	2,413,205	6,166,544
Chemicals-----	1,070,462	1,597,054	2,605,447
Leather, and manufactures of-----	732,260	1,129,933	3,786,130
Paper and manufactures of-----	128,277	781,055	2,067,977
Carriages and cars-----	424,952	1,161,365	1,808,001
Provisions-----	518,190	602,120	2,177,441
Agricultural implements-----	575,254	527,130	1,968,416
Fertilizers-----	114,988	324,006	883,320
Fruits and vegetables-----	441,430	533,482	1,277,127

I believe that the protective system has been a mighty instrument for the development of our national wealth and a most powerful agency in protecting the homes of our workingmen.—Harrison.

The highest claim of William McKinley for the gratitude of his countrymen is that, in spite of the abuse and contumely that was heaped upon his head for this policy, he placed our country in the forefront of nations as a civilizer and uplifter of unfortunate peoples.—Hon. Wm. H. Taft, at Cleveland, Ohio.

I believe that a navy is the greatest insurer of peace that we could possibly have—a navy commensurate with our resources, and commensurate with our coast line, and commensurate with the number of dependencies we have, and commensurate with our population, and commensurate with our influence as a world power.—Hon. Wm. H. Taft, at Cleveland, Ohio.



*Relative advance in prices of free and dutiable articles, respectively (denominated by the Democratic Campaign Book as "Controlled by Trusts"), 1896 to 1907.*

**Items on free list.**

	July, 1896.	July, 1901.	July, 1902.	July, 1903.	Janu- ary, 1904.	Decem- ber, 1907.
Anthracite stove coal (f. o. b. New York) -----per ton..	\$3.881	\$4.236	-----	\$4.80	\$4.75	\$4.9503
Anthracite broken coal (f. o. b. New York).....per ton..	3.228	3.509	-----	4.55	5.00	4.2047
Copper, lake, ingot (New York) -----per pound..	.115	.17	\$0.1225	.1425	.125	.14
Jute, spot -----do-----	.035	.035	.0325	.045	.045	5.5
Petroleum, crude (at well) -----per barrel..	1.0825	1.1337	1.22	1.50	1.85	1.78
Petroleum, refined, per gallon..	.069	.039	.071	.14	.15	.1350
Rubber, island -----per pound..	.84	.86	.77	.87	.91	.78
Sisal, spot -----do-----	.0362	.0562	.035	.0762	.075	6.5
Binder twine -----do-----	.0675	.0975	.1425	.145	.145	12.00

**Items on dutiable list.**

	July, 1896.	July, 1901.	July, 1902.	July, 1903.	Janu- ary, 1904.	Decem- ber, 1907.
Alcohol (94 per cent).....per gal..	\$2.31	\$2.43	\$2.51	\$2.48	\$2.40	\$2.63
Brick -----per thousand..	5.25	5.75	6.25	5.25	-----	5.50
Bread, Boston crackers, per lb..	.065	.08	-----	.08	.07	.09
Cotton flannels -----per yard..	.065	.0625	-----	.08	-----	a.10
Cement, Rosendale -----per bbl..	.85	.100	.95	.90	.95	.95
Fish, canned salmon, per doz..	1.65	1.70	1.65	1.65	1.65	b1.65
Ginghams -----per yard..	.0425	.0475	-----	.08	.08	c.07
Glassware, pitchers -----per doz..	1.25	1.30	1.30	1.30	1.15	1.05
Wire nails -----per keg..	3.15	2.40	2.10	2.05	2.00	2.15
Cut nails -----do-----	2.90	2.10	2.05	2.20	1.95	2.1250
Fresh beef sides -----per lb..	.075	.09	-----	1.25	.125	0.80
Salt beef -----per bbl..	16.00	21.50	22.50	11.50	11.00	10.3250
Salt pork -----do-----	8.25	16.75	19.75	17.75	13.50	15.150
Hams, smoked -----do-----	.10	.115	.125	.1375	.12	.1068
Pig iron, foundry, Philadelphia -----per ton..	12.75	15.87	22.75	18.50	15.00	18.11
Rice -----per lb..	.0525	.0537	.0575	.55	.04	.06
Sugar, centrifugal -----do-----	.035	.0225	.0337	.0356	.0347	.03794
Sugar, granulated -----do-----	.016	.0521	.0175	.017	.0136	.0455
Steel rails, Pittsburg -----per ton..	28.00	28.00	28.00	28.00	28.00	.28

a 2½ yards to the pound.

b August, 1907.

c Amoskeag.

The way to help labor is to provide it with steady work and good wages and then to have those good wages always paid in good money.—Maj. McKinley to delegation of workmen, August 24, 1896.

I believe it is a good deal better to open the mills of the United States to the labor of America than to open the mints of the United States to the silver of the world.—Maj. McKinley to his comrades of the 23d Ohio Regiment, at Canton, August 12, 1896.

The avowed policy of the National administration of these two Presidents has been and is to govern the islands, having regard to the interest and welfare of the Filipino people, and by the spread of general primary and industrial education and by practice in partial political control to fit the people themselves to maintain a stable and well-ordered government affording equality of right and opportunity to all citizens.—Hon. Wm. H. Taft, in special report to the President.

In spite of the general comfort, there have been made manifest by signs not to be misunderstood, a quickening of the public conscience and a demand for the remedy of abuses, the outgrowth of this prosperity, and for a higher standard of business integrity. Every lover of his country should have a feeling of pride and exaltation in this evidence that our society is still sound at the core.—Hon. Wm. H. Taft, at Columbus, Ohio.

## Commerce of the World Since 1830.

This table showing the commerce of the principal countries of the world at intervals from 1830 to 1907 will be useful for reference in considering the question as to the effect of high or low tariffs upon trade of the countries utilizing these respective systems. It will be noted that the commerce of the most highly protective countries shows in nearly all cases a higher percentage of gain, comparing 1907 with 1897 or 1890, than does that of the United Kingdom, the sole remaining representative of the low tariff, or free trade principle. The foreign commerce of the United Kingdom in 1907 is 47 per cent greater than that of 1890; that of France, 50 per cent; Germany, 109 per cent; and the United States, 116 per cent greater in 1907 than in 1890.

## Commerce of the World since 1830.

(Aggregate of imports for consumption and domestic exports in millions of dollars.—Mulhall's figures prior to 1890.)

Country.	1830.	1840.	1850.	1860.	1870.	1880.	1890.	1897.	1903.	1907.
United Kingdom	422	547	811	1,800	2,625	3,350	3,552	3,389	4,056	5,217
France	197	317	456	801	1,089	1,627	1,493	1,450	1,747	2,237
Germany	220	249	336	624	1,017	1,411	1,761	1,996	2,621	3,681
Russia	134	158	192	230	494	629	566	618	867	ab334
Austria-Hungary	72	105	139	225	398	513	441	609	813	949
Italy	96	144	182	249	317	437	451	438	652	as21
Spain	33	48	53	120	197	240	283	301	257	as25
Portugal	14	19	24	38	48	67	86	73	97	c100
Holland and Belgium	144	216	293	413	653	1,137	1,488	1,915	2,614	as,010
United States	105	197	297	653	792	1,478	1,536	1,815	2,453	3,318
Spanish America	168	230	336	451	648	768	797	826	965	1,802
India	48	96	144	249	408	518	629	440	761	a313
British colonies, other	43	101	211	494	614	974	1,430	1,570	2,292	c2,163
Other countries	264	323	326	853	1,200	1,351	2,287	3,020	2,866	d3,733
The world	1,960	2,750	3,800	7,200	10,500	14,500	16,800	18,500	23,061	29,109

a 1906.

b Trade over the European frontier only.

c 1904.

d Var.ous years, 1904 to 1906.

The theory of free trade between nations is as fallacious, impracticable, and utterly absurd as is that of free love between families.—Hon. B. F. Jones.

Abating none of our interest in the home market, let us move out to new fields steadily and increase the sale for our products in foreign markets.—President McKinley to Commercial Club, Cincinnati, Oct. 30, 1897.

Instead of making a panic, the national policy of ending the lawlessness of corporations in interstate commerce, and of taking away their power of issuing, without supervision, stocks and bonds, will produce a change in their management and remove one fruitful cause for loss of public confidence.—Hon. Wm. H. Taft, to Merchants and Manufacturers Association, Boston, Mass.

*Financial and commercial statistics of the principal countries of the world in the latest year for which figures are available.*

Area.	Popula- tion.	Foreign commerce.			Revenue. Dollars.	Expendi- ture. Dollars.	Excess of revenues (+) or ex- penditures (-).	National debt.			Per capita of			
		Imports.	Exports.	Excess im- ports (-) or exports (+).				Total debt.	Rate of interest.	Interest and other annual charges.	Debt.	Interest.	Revenue.	
Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	
Argentina --- Commonwealth of Australia	5,678,000	197,974,000	311,544,000	+	113,570,000	101,915,000	+	3,535,000	444,440,000	4 1/4 - 5	30,222,000	78.27	5.32	17.95
Austria-Hun- gary ---	4,048,000	217,676,000	322,648,000	+	104,972,000	165,748,000	+	777,000	1,128,633,000	3 - 5	44,123,000	278.80	10.89	40.95
Austria ---	47,355,000	475,808,000	473,160,000	-	2,648,000	72,008,000	-	-	1,092,863,000	3 - 4	48,215,000	23.07	1.02	1.52
Hungary ---	27,241,000	261,982,000	262,996,000	-	-	369,865,000	-	600,000	818,096,000	3 - 5 1/2	42,157,000	30.03	1.55	13.38
Belgium ---	125,430	666,625,000	539,211,000	-	127,414,000	267,982,000	-	1,014,000	1,102,743,000	3 - 4 1/2	44,366,000	54.82	2.21	13.03
Brazil ---	7,161,000	197,227,000	263,652,000	+	66,425,000	107,861,000	-	1,506,000	621,610,000	2 1/2 - 3	24,926,000	86.81	3.48	15.06
Canada ---	14,334,000	290,361,000	236,587,000	-	33,774,000	118,389,000	+	4,961,000	542,213,000	4 - 6	31,788,000	37.83	2.43	8.26
Chile ---	6,441,000	71,868,000	103,223,000	+	31,355,000	78,007,000	+	23,946,000	253,998,000	2 1/2 - 4	13,115,000	39.44	2.04	12.11
China ---	3,230,000	335,191,000	193,185,000	-	142,006,000	56,550,000	-	-	95,721,000	4 1/2 - 5	5,114,000	29.55	1.58	17.16
Cuba ---	4,277,170	104,461,000	104,069,000	-	392,000	71,896,000	-	9,186,000	609,752,000	4 - 7	36,176,000	1.46	0.08	14
Denmark ---	43,000	166,837,000	142,991,000	-	23,846,000	29,610,000	+	10,612,000	47,605,000	5 - 6	2,582,000	30.32	1.64	18.82
Egypt ---	15,340	129,115,000	138,469,000	+	9,354,000	22,920,000	+	96,000	64,222,000	3 - 4	2,127,000	24.95	.83	8.90
France ---	383,900	1,167,196,000	1,069,612,000	-	97,584,000	67,382,000	-	2,495,000	468,314,000	3 - 4 1/2	22,746,000	47.69	2.32	6.85
German Em- pire ---	207,051	1,167,196,000	1,069,612,000	-	97,584,000	715,074,000	-	800,000	5,655,135,000	3 - 3 1/2	237,855,000	149.90	6.05	18.19
India, British ---	208,830	2,046,187,000	1,634,803,000	-	411,384,000	570,563,000	-	2,037,000	885,963,000	3 - 3 1/2	39,378,000	14.21	.50	9.47
Italy ---	1,766,642	334,379,000	513,186,000	+	178,807,000	412,825,000	+	8,565,000	1,127,923,000	2 1/2 - 4 1/2	37,600,000	3.83	.13	1.40
Japan ---	110,646	532,775,000	357,337,000	+	175,438,000	470,566,000	+	30,062,000	2,767,912,800	3 - 5	130,803,000	82.37	3.89	14.00
Mexico ---	117,671	208,554,000	217,030,000	-	2,476,000	246,363,000	-	-	932,446,000	4 - 6	72,752,000	19.43	1.52	5.11
Netherlands ---	767,061	109,884,000	135,027,000	+	25,143,000	51,269,000	+	2,954,000	222,053,000	3 - 5	12,578,000	16.32	.93	3.77
Norway ---	12,561	1,012,736,000	835,357,000	+	177,379,000	71,432,000	-	3,308,000	458,069,000	2 1/2 - 3	14,719,000	81.91	2.63	12.73
Peru ---	5,592,000	83,706,000	50,631,000	-	33,075,000	26,822,000	-	89,000	91,765,000	3 - 3 1/2	3,759,000	39.71	1.63	11.61
Russia ---	2,311,000	21,668,000	28,018,000	+	6,950,000	12,197,000	-	959,000	15,266,000	1	129,000	3.39	.03	2.71
Spain ---	111,000,000	327,070,000	554,822,000	+	227,752,000	1,451,308,000	-	199,140,000	4,038,200,000	3 - 6	172,336,000	28.61	1.22	10.29
Sweden ---	18,618,000	204,401,000	181,291,000	+	20,110,000	172,768,000	+	7,093,000	1,829,266,000	2 1/2 - 5	69,356,000	98.25	3.72	9.28
Switzerland ---	5,261,000	172,653,000	135,148,000	-	37,905,000	51,826,000	+	51,826,000	102,059,000	3 - 3 1/2	3,685,000	19.40	.70	9.35
United King- dom ---	15,974	311,659,000	222,510,000	-	89,149,000	24,956,000	+	2,430,000	19,788,000	3 1/2	1,038,000	5.72	.30	7.21
United States ---	43,221,000	3,143,293,000	2,074,125,000	-	1,069,168,000	700,667,000	+	16,866,000	3,839,621,000	2 1/2 - 2 3/4	150,295,000	88.83	3.47	16.21
	85,817,000	1,423,200,000	1,895,326,000	+	472,036,000	663,140,000	+	81,236,000	878,597,000	2 - 5	24,481,000	10.22	.35	7.76



*Actual annual expenditures of the principal nations of the world, showing relative growth since 1890.*

[From official reports of the respective countries.]

Year.	France. (Years ending Decem- ber 31.)	Italy. (Years ending June 30.)	Russia. (Years end- ing Decem- ber 31.)	Germany. (Years ending March 31.)	United Kingdom. (Years ending March 31.)	United States (c.) (Years ending June 30.)
	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.	Dollars.
1891	628,827,008	357,522,142	596,861,356	378,859,277	326,951,939	356,372,685
1892	632,408,549	316,645,639	549,222,852	356,620,795	437,033,508	345,023,331
1893	666,027,675	335,643,577	537,691,067	358,790,355	439,811,714	383,477,054
1894	671,635,212	369,044,948	605,291,231	366,903,965	444,325,300	367,325,289
1895	662,765,952	348,743,946	795,388,426	386,149,407	457,053,549	356,195,243
1896	664,867,114	355,387,625	767,410,468	379,572,920	475,770,243	352,179,443
1897	680,138,588	336,856,554	769,718,085	387,674,011	493,836,210	365,774,100
1898	680,844,255	334,436,951	912,688,680	441,568,491	500,938,015	443,348,583
1899	692,758,246	334,380,569	919,332,840	441,658,409	526,313,123	605,072,180
1900	723,163,103	336,344,509	972,946,310	466,620,682	659,760,091	487,713,792
1901	724,887,548	342,249,821	1,116,095,473	522,886,214	893,451,353	509,967,373
1902	713,970,225	364,739,527	965,542,385	553,221,835	981,508,850	471,190,858
1903	694,265,063	361,753,279	1,035,554,440	552,295,493	897,789,965	503,000,007
1904	702,335,504	358,298,730	1,409,914,024	561,038,666	714,677,305	582,402,321
1905	715,419,899	367,244,773	1,650,447,749	492,195,257	690,831,293	567,375,913
1906	a715,883,610	f463,003,751	b1,293,150,989	522,445,272	683,801,430	568,781,799
1907	a739,425,899	b382,672,241	b1,824,529,695	a579,280,100	678,464,119	578,903,748
1908				a617,941,201		

a Appropriations passed.

b Budget estimates.  
c Net ordinary expenses, exclusive of premiums, principal or public debt,  
and expenditures for postal service paid from revenues thereof.  
f Provisional figures.

*Total actual expenditures and per capita expenditures of the principal countries of the world, in the latest year for which figures are available.*

Countries.	Population.	Expenditure.	Per capita expenditure.
Argentina	5,678,000	\$98,380,000	\$17.33
Australian Commonwealth	4,048,000	164,971,000	40.75
Belgium	7,161,000	109,367,000	15.27
Canada	6,440,000	54,061,000	8.39
Cuba	1,573,000	18,993,000	12.08
France	39,300,000	715,420,000	18.20
Germany	60,478,000	522,445,000	8.64
Italy	33,604,000	367,245,000	13.11
Japan	47,975,000	246,368,000	5.14
Netherlands	5,592,000	74,760,000	13.37
Portugal	5,162,000	63,096,000	12.22
Russia	141,000,000	1,650,448,000	11.71
Spain	13,618,000	165,675,000	8.90
Sweden	5,261,000	51,826,000	9.85
United Kingdom	43,221,000	678,464,000	15.69
United States	88,817,000	578,904,000	6.75

Not open mints for the unlimited coinage of the silver of the world, but open mills for the full and unrestricted labor of the American workingmen.—Maj. McKinley's letter of acceptance.

The panic was doubtless chiefly due to the exhaustion of the free capital of the world by reason of the over-investment in enterprises that have not been as productive as expected. The enormous industrial expansion has at last tied up nearly all the world's capital which was available and new investments had to halt. (This result was world-wide.—Hon. Wm. H. Taft, at Kansas City, Mo.)

**Popular and Electoral Vote in Presidential Elections from 1856 to 1904.**

*Showing number of votes cast for Republican and Democratic candidates, the electoral vote, and the per cent given to the Republican candidates in each presidential election from 1854 to 1904.*

Year.	Popular vote.					Electoral vote.				
	Dem- ocratic.	Repub- lican.	Other pa. ties.	Total.	Per cent Repu	emo- cratic.	Repub- lican.	Other parties.	Total.	Per cent Repub
1856-----	1,838,169	1,341,261	2874,534	4,053,967	33.1	174	114	28	296	38.5
1860b-----	1,375,157	1,866,352	6589,581	4,676,853	39.9	12	180	689	303	60.0
1864-----	1,808,725	2,216,967	-----	4,024,792	55.1	21	212	-----	233	91.0
1868-----	2,709,613	3,015,071	-----	5,724,684	52.7	80	214	-----	294	72.8
1872-----	2,834,079	3,597,070	-----	6,466,165	55.6	42	286	21	349	81.9
1876-----	4,284,885	4,033,950	35,016	8,410,077	48.3	181	185	0	369	50.1
1880-----	4,442,035	4,449,950	91,262	9,211,228	48.3	175	214	0	369	58.0
1884-----	4,911,017	4,813,334	319,443	10,044,985	48.2	219	182	0	401	45.4
1888-----	5,538,524	5,441,923	285,634	11,369,461	47.9	168	233	0	401	58.1
1892-----	5,551,267	5,175,201	1,333,096	12,062,564	43.0	277	145	222	444	32.7
1896-----	6,503,165	7,161,439	314,515	13,919,119	51.2	176	271	0	447	60.6
1900-----	6,378,133	7,207,923	393,597	13,959,653	51.6	155	292	0	447	65.3
1904-----	5,079,041	7,620,337	807,590	13,506,968	56.4	140	336	0	476	70.6

a American party.

b S. A. Douglas, Democratic (Northern), polled 1,375,157 votes and carried 2 States having 12 electoral votes; J. C. Breckenridge, Democrat (Southern), polled 845,763 votes and carried 11 States having 72 electoral votes.

c Constitutional Union party, John Bell, nominee.

d Eleven Southern States with 81 electoral votes refrained from voting.

e Three Southern States (Mississippi, Texas and Virginia), with 23 electoral votes, refrained from voting.

f Seventeen votes rejected, viz., 2 from Georgia, for Greeley, and 8 from Louisiana, and 6 from Ar-

kansas, for Grant.

g People's party, J. B. Weaver.

Not open mints for the unlimited coinage of the silver of the world, but open mills for the full and unrestricted labor of the American workingmen.—Maj. McKinley's letter of acceptance.

You cannot help the farmer by coining more silver; he can only be helped by more consumers for his products.—Maj. McKinley to delegation of farmers, August 24, 1896.

Vigorous action and measures to stamp out existing abuses and effect reform are necessary to vindicate society as at present constituted. Otherwise, we must yield to those who seek to introduce a new order of things on a socialistic basis.—Hon. Wm. H. Taft, at Kansas City, Mo.

Any unjust discrimination in the terms upon which transportation of freight or passengers is afforded an individual or a locality paralyzes and withers the business of the individual or the locality exactly as the binding of the arteries and veins leading to a member of the human body destroys its life.—Hon. Wm. H. Taft, at Columbus, Ohio.

Only twice in all that remarkable history of 48 years have we lost the confidence of the people of the United States to the point of their turning over the government to a Democratic executive. I venture to say that neither in this nor in any other country can be disclosed such a remarkable record of arduous deeds done as in that history of a half a century of the Republican party.—Hon. Wm. H. Taft, at Kansas City, Mo.

**Party divisions in Congress since the formation of the Republican Party in 1856.**

Congress.	Years.	Senate.			House.		
		Dem.	Rep.	Ind.	Dem.	Rep.	Ind.
35.-----	1857-1859	39	20	5	131	92	14
36.-----	1859-1861	38	26	2	101	113	23
37.-----	a 1861-1863	10	31	2	42	106	28
38.-----	a 1863-1865	9	36	5	75	102	9
39.-----	1865-1867	11	41	-----	40	145	-----
40.-----	1867-1869	11	42	-----	49	113	-----
41.-----	1869-1871	11	58	-----	78	151	-----
42.-----	1871-1873	17	57	-----	103	138	b5
43.-----	1873-1875	20	47	b7	92	194	14
44.-----	1875-1877	29	43	b2	168	107	-----
45.-----	1877-1879	39	36	b1	151	142	-----
46.-----	1879-1881	44	32	-----	118	129	c18
47.-----	1881-1883	38	37	d1	138	146	c10
48.-----	1883-1885	36	e40	-----	198	124	c1
49.-----	1885-1887	34	42	-----	204	120	c1
50.-----	1887-1889	37	39	-----	168	153	4
51.-----	1889-1891	37	39	-----	159	166	-----
52.-----	1891-1893	39	47	f2	236	83	f8
53.-----	1893-1895	44	38	f3	220	126	f8
54.-----	1895-1897	39	42	f5	104	216	f7
55.-----	1897-1899	34	46	h10	1134	203	j13
56.-----	1899-1901	26	53	l11	163	185	k9
57.-----	1901-1903	29	56	n3	153	198	m5
58.-----	1903-1905	32	58	-----	174	203	o2
59.-----	1905-1907	32	58	-----	136	250	-----
60.-----	1907-1909	29	61	-----	164	222	-----

Parties as constituted at the beginning of each Congress are given. These figures were liable to change by contests for seats, etc.

a During the Civil War most of the Southern States were unrepresented in Congress.

b Liberal Republicans. c Greenbackers. d David Davis, Independent, of Illinois.

e Two Virginia Senators were Readjusters, and voted with the Republicans.

f People's party, except that in the House of Representatives of the Fifty-fourth Congress one member is classed as Silver party.

g Three Senate seats were vacant (and continued so) and two Representative seats were unfilled (Rhode Island had not yet effected a choice) when the session began. Rhode Island subsequently elected two Republicans.

h Five Populists, two Silver party, three Independents. i Including fifteen members classed as Fusionists. j Including three members classed as Silver party. There was one vacancy.

k Six Populists, three Silver party.

l Five Populists, one Silver party, two Independents, and three vacancies.

m Three Populists, one Silver party, one Fusion party, one vacancy.

n One Populist, one Silver party, one Fusionist, two vacancies.

o Two Union Labor and two vacancies—one Democratic, one Republican.

You cannot get consumers through the mints; you get them through the factories.—Maj. McKinley to delegation of farmers, Aug. 24, 1896.

Resuscitation will not be prompted by recrimination. The distrust of the present will not be relieved by a distrust of the future. A patriot makes a better citizen than a pessimist.—President McKinley before Manufacturers' Club, Philadelphia, June 2, 1897.

Nothing should ever tempt us—nothing ever will tempt us—to scale down the sacred debt of the nation through a legal technicality.—President McKinley before National Association of Manufacturers, New York, Jan. 27, 1898.

The administration of exact justice by courts without fear or favor, unmoved by the influence of the wealthy or by the threats of the demagogue, is the highest ideal that a government of the people can strive for, and any means by which a sultor, however unpopular or poor, is deprived of enjoying this is to be condemned.—Hon. Wm. H. Taft, at Columbus, Ohio.

A railroad company engaged in interstate commerce should not be permitted to issue stock or bonds and put them on sale in the market except after a certificate by the interstate commerce commission that the securities are issued with the approval of the commission for a legitimate railroad purpose.—Hon. Wm. H. Taft, at Columbus, Ohio.



*The Electoral College in 1908.*

States.	1908	States.	1908
Alabama .....	11	New Hampshire .....	4
Arkansas .....	9	New Jersey .....	12
California .....	10	New York .....	39
Colorado .....	5	North Carolina .....	12
Connecticut .....	7	North Dakota .....	4
Delaware .....	3	Ohio .....	23
Florida .....	5	Oklahoma .....	7
Georgia .....	13	Oregon .....	4
Idaho .....	3	Pennsylvania .....	34
Illinois .....	27	Rhode Island .....	4
Indiana .....	15	South Carolina .....	9
Iowa .....	15	South Dakota .....	4
Kansas .....	15	Tennessee .....	12
Kentucky .....	13	Texas .....	18
Louisiana .....	9	Utah .....	3
Maine .....	6	Vermont .....	4
Maryland .....	8	Virginia .....	12
Massachusetts .....	16	Washington .....	5
Michigan .....	14	West Virginia .....	7
Minnesota .....	11	Wisconsin .....	18
Mississippi .....	10	Wyoming .....	3
Missouri .....	18		
Montana .....	3	Total .....	483
Nebraska .....	8	Necessary to a choice .....	242
Nevada .....	3		

*Presidential vote and political record by States, 1864 to 1904.*

Votes, 1904.	Party receiving electoral vote in—										
	'64	'68	'72	'76	'80	'84	'88	'92	'96	1900	'04
Alabama .....	*	R	R	D	D	D	D	D	D	D	D
Arkansas .....	*	R	R	D	D	D	D	D	D	D	D
California .....	R	R	R	R	†D	R	R	†D	†R	R	R
Colorado .....	5	*	*	*	R	R	R	P	D	D	R
Connecticut .....	7	R	R	R	D	R	D	D	R	R	R
Delaware .....	3	D	D	R	D	D	D	D	R	R	R
Florida .....	5	*	R	R	D	D	D	D	D	D	D
Georgia .....	13	*	D	D	D	D	D	D	D	D	D
Idaho .....	3	*	*	*	*	*	*	P	D	D	R
Illinois .....	27	R	R	R	R	R	R	D	R	R	R
Indiana .....	15	R	R	R	D	R	D	R	R	R	R
Iowa .....	13	R	R	R	R	R	R	R	R	R	R
Kansas .....	10	R	R	R	R	R	R	P	D	D	R
Kentucky .....	13	D	D	D	D	D	D	D	†R	D	D
Louisiana .....	9	*	D	*	R	D	D	D	D	D	R
Maine .....	6	R	R	D	R	R	R	R	R	R	R
Maryland .....	8	R	D	D	D	D	D	D	D	†R	D
Massachusetts .....	16	R	R	R	R	R	R	R	R	R	R
Michigan .....	14	R	R	R	R	R	R	R	R	R	R
Minnesota .....	11	R	R	R	R	R	R	R	R	R	R
Mississippi .....	10	*	*	R	D	D	D	D	D	D	D
Missouri .....	18	R	R	D	D	D	D	D	D	D	D
Montana .....	3	*	*	*	*	*	*	R	D	D	R
Nebraska .....	8	*	R	R	R	R	R	R	D	D	R
Nevada .....	3	R	R	R	R	D	R	R	P	D	R
New Hampshire .....	4	R	R	R	R	R	R	R	R	R	R
New Jersey .....	12	D	D	R	D	D	D	D	R	R	R
New York .....	39	R	D	R	D	R	D	R	R	R	R
North Carolina .....	12	*	R	R	D	D	D	D	D	D	D
North Dakota .....	4	*	*	*	*	*	*	†D	R	R	R
Ohio .....	23	R	R	R	R	R	R	R	†R	R	R
Oregon .....	4	R	D	R	R	R	R	R	R	R	R
Pennsylvania .....	34	R	R	R	R	R	R	R	R	R	R
Rhode Island .....	4	R	R	R	R	R	R	R	R	R	R
South Carolina .....	9	*	R	R	R	D	D	D	D	D	D
South Dakota .....	4	*	*	*	*	*	*	R	D	D	R
Tennessee .....	12	*	R	D	D	D	D	D	D	D	D
Texas .....	18	*	*	D	D	D	D	D	D	D	D
Utah .....	3	*	*	*	*	*	*	*	D	D	R
Vermont .....	4	R	R	R	R	R	R	R	R	R	R
Virginia .....	12	*	*	R	D	D	D	D	D	D	D
Washington .....	5	*	*	*	*	*	*	R	D	R	R
West Virginia .....	7	R	R	R	D	D	D	D	R	R	R
Wisconsin .....	13	R	R	R	R	R	R	D	R	R	R
Wyoming .....	3	*	*	*	*	*	*	R	D	R	R

\*No vote.

†One electoral vote given to opposing party.

‡Five electoral votes given to opposing party.

Republican and Democratic vote in all close States in Presidential elections, 1880 to 1904, and in Congressional elections, 1898 to 1906.  
[Compiled from New York Tribune Almanac.]

State	1880.		1884.		1888.		1892.		1896.		1900.		1902.		1904.		1906.	
	Rep.	Dem.	Rep.	Dem.	Rep.	Dem.	Rep.	Dem.	Rep.	Dem.	Rep.	Dem.	Rep.	Dem.	Rep.	Dem.	Rep.	Dem.
California	80,948	80,436	102,416	89,238	124,818	117,729	118,140	118,283	146,588	144,766	164,755	124,985	152,363	126,290	205,236	88,294	155,897	100,900
Colorado	27,459	24,647	36,299	27,723	50,774	57,557	88,620	82,584	66,271	111,269	93,067	72,733	85,297	84,589	131,657	100,105	102,055	76,488
Connecticut	67,071	64,415	65,925	67,190	74,584	77,920	77,032	82,395	110,285	56,740	102,572	74,014	83,668	70,519	111,089	72,969	88,115	67,747
Delaware	14,133	15,275	12,951	16,964	12,973	16,414	18,077	18,581	20,452	16,615	22,537	18,855	21,026	16,396	23,712	19,317	20,210	17,113
Idaho	318,037	277,321	238,463	244,990	263,361	261,013	255,615	262,740	323,754	305,573	27,198	29,414	32,834	24,878	47,783	18,436	43,950	23,818
Illinois	232,164	222,522	337,474	312,355	370,475	348,371	392,283	426,281	607,139	614,523	737,097	503,081	406,564	373,488	632,645	327,636	435,150	322,082
Indiana	106,306	149,008	154,406	90,132	182,904	102,745	157,241	163,681	111,559	171,810	135,063	309,581	296,185	268,949	368,289	274,315	263,132	216,818
Kentucky	121,549	59,801	118,132	132,961	155,134	183,800	135,441	175,461	118,171	171,890	226,799	234,902	122,746	158,652	205,277	217,170	165,205	127,715
Kansas	78,519	89,706	85,639	96,932	99,986	106,168	92,738	113,806	136,978	104,746	107,704	101,448	100,054	91,606	108,497	109,446	98,908	92,366
Maryland	185,341	131,597	149,835	236,387	213,499	222,708	222,708	202,206	283,532	277,268	282,525	211,835	228,399	155,732	361,868	131,151	232,662	83,432
Michigan	93,903	53,815	111,923	70,144	112,492	104,385	122,823	100,926	193,503	139,735	136,797	112,001	158,843	90,791	216,061	55,187	171,549	64,944
Minnesota	153,567	208,609	202,929	235,988	236,253	261,934	227,649	263,409	304,910	363,652	314,092	351,922	230,749	274,220	321,449	206,312	235,782	291,276
Missouri	54,979	28,523	76,912	54,391	108,425	80,552	87,227	17,534	108,064	115,999	96,500	94,884	98,837	89,214	135,553	51,576	98,303	85,745
Montana	8,732	9,613	7,193	5,578	7,233	5,326	2,811	42,081	57,444	43,778	133,081	157,752	53,938	135,312	81,372	123,458	77,807	121,716
Nebraska	44,852	40,794	39,183	43,456	45,658	47,013	45,658	47,013	57,444	133,675	165,120	35,784	43,629	30,204	54,777	93,992	45,774	31,270
New Hampshire	20,555	122,565	123,440	127,798	144,360	151,508	156,068	154,868	819,538	551,369	689,868	164,808	183,576	164,199	245,164	161,366	172,261	163,008
New Jersey	555,544	534,511	565,005	563,154	650,338	636,965	609,350	654,868	819,538	551,369	689,868	164,808	183,576	164,199	245,164	161,366	172,261	163,008
New York	115,874	124,208	125,008	142,952	134,784	147,902	100,346	132,930	155,222	174,483	153,334	678,336	681,938	633,570	859,533	683,581	710,940	630,603
North Carolina	388,289	416,054	368,289	368,289	416,054	368,289	368,289	416,054	368,289	416,054	368,289	416,054	368,289	416,054	368,289	416,054	368,289	416,054
North Dakota	375,018	340,821	400,082	388,289	416,054	368,289	368,289	416,054	368,289	416,054	368,289	416,054	368,289	416,054	368,289	416,054	368,289	416,054
Ohio	20,619	19,948	26,890	24,604	32,291	26,522	35,002	12,242	48,770	46,662	42,615	33,921	48,082	31,811	60,132	17,444	51,435	31,491
Oregon	444,704	407,428	473,804	392,785	523,585	444,327	516,011	452,284	728,300	433,280	532,898	32,006	365,650	619,805	840,949	335,430	556,139	330,607
Pennsylvania	18,195	10,779	19,030	12,391	21,969	17,530	26,975	24,356	37,437	14,459	712,665	19,812	28,215	27,853	41,695	24,839	33,009	31,539
Rhode Island	107,677	128,191	124,078	133,258	138,988	158,779	99,851	136,594	148,773	166,268	63,923	106,712	53,613	98,766	105,369	131,653	80,178	111,480
South Dakota	67,317	67,317	67,317	67,317	67,317	67,317	67,317	67,317	67,317	67,317	67,317	67,317	67,317	67,317	67,317	67,317	67,317	67,317
Tennessee	46,243	57,391	63,096	67,317	78,171	78,677	80,293	84,467	104,114	92,927	87,999	85,407	119,829	98,867	100,560	28,098	98,839	77,157
Utah	144,400	114,649	161,157	146,459	176,553	155,232	171,191	177,325	268,135	163,523	265,769	159,163	194,885	157,056	279,870	124,036	169,733	113,548
Washington	107,677	128,191	124,078	133,258	138,988	158,779	99,851	136,594	148,773	166,268	63,923	106,712	53,613	98,766	105,369	131,653	80,178	111,480
West Virginia	46,243	57,391	63,096	67,317	78,171	78,677	80,293	84,467	104,114	92,927	87,999	85,407	119,829	98,867	100,560	28,098	98,839	77,157
Wisconsin	144,400	114,649	161,157	146,459	176,553	155,232	171,191	177,325	268,135	163,523	265,769	159,163	194,885	157,056	279,870	124,036	169,733	113,548
Wyoming	107,677	128,191	124,078	133,258	138,988	158,779	99,851	136,594	148,773	166,268	63,923	106,712	53,613	98,766	105,369	131,653	80,178	111,480

a Fusion with Populists.



# WILLIAM HOWARD TAFT

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In William Howard Taft the Republican National Convention has nominated for the Presidency a man exceptionally equipped, not only by nature and training, but by experience and achievement, to perform the delicate and arduous duties of the greatest office in the gift of any people. For nearly thirty years he has given himself with single-minded devotion to the public service. He has displayed throughout a broad grasp of affairs, a literally dauntless courage, an unshakable integrity, a quick and all embracing sympathy, a deep and abiding sense of justice, a marvelous insight into human nature, a sure and unwavering judgment, executive ability of the highest order, and a limitless capacity for hard work. In all the years of its history the Republican party has never selected as its leader in a National Campaign a man so tried beforehand, and so amply proved equal to the task.

## A Family of Jurists.

Mr. Taft comes of a family distinguished in the law and the public service. The first American Tafts came of the English yeomanry, transplanted across the Atlantic by the great upheaval for conscience's sake which peopled New England with its sturdy stock. In this country they turned to the study and practice of the law. Peter Taft was both a maker and an interpreter of laws, having served as a member of the Vermont legislature, and afterwards as a judge. Alphonso Taft, son of Peter, was graduated from Yale College, and then went out to the Western Reserve to practice law. He settled in Cincinnati, and it was at Mt. Auburn, a suburb of that city, on September 15, 1857, that his son, William Howard Taft, first became a presidential possibility.

The boy grew up in an atmosphere of earnest regard for public duty too little known in these days of the colossal and engrossing material development of the country. His father earned distinction in the service of city and state and nation, going from the Superior bench, to which he had been elected unanimously, to the place in Grant's cabinet now held by the son, then, as Attorney General, to the Department of Justice, and finally into the diplomatic service, as minister first to Austria and then to Russia. His mother, who was Miss Louise M. Torrey, also came of that staunch New England stock with whom conscience is the arbiter of action and duty performed the goal of service.

## His Mother's Influence.

It was her express command that sent him away from her last fall when both knew that she was entering upon the last stage of her life. He had promised the Filipinos that he would go to Manila and in person formally open their Assembly. It was to be their first concrete experience in self-government, and he, more than any other man, had made it possible. If he should not keep his promise there was danger that the suspicious Filipinos would impute his failure to sinister motives, to indifference or altered purpose, with result vastly unfortunate to them and to us. Mr. Taft saw all that very clearly, yet in view of his mother's health he would have remained at home. But she forbade. She said his duty lay to the people he had started on the path to liberty, and although it involved what each thought to be the final parting she commanded him to go. He went and before he could return his mother had passed away.

Much was to be expected of a boy of such parentage, and young Taft fulfilled the expectation. He began by growing big physically. He has a tremendous frame. The cartoonists have made a false presentment of him familiar to the country by draw-



ing him always as a mountain of flesh. But if they had gone to the same extreme of leanness, and still honestly portrayed his frame they would have represented a man above the average weight.

#### At College.

Of course he went to Yale. His father had been the first alumnus elected to the corporation, and when young Taft had completed his preparatory course at the public schools of Cincinnati he went to New Haven for his college training. He was a big, rollicking, good natured boy, who liked play but still got fun out of work. He did enough in athletics to keep his 225 pounds of muscle in good condition, but gave most of his time to his studies. When the class of '78 was graduated Taft was its salutatorian, having finished second among 120. He was also elected class orator by the class. He was then not quite 21.

He went back to Cincinnati and began the study of law in his father's office, at the same time doing court reporting for the newspaper owned by his half-brother, Charles P. Taft. His salary at first was \$6 a week. He did his work so well, however, that Murat Halstead, editor of the Cincinnati Commercial Gazette, employed him to work for that paper, at the increased salary of \$25 a week.

While he was doing this he was keeping up his studies, taking the course at the Cincinnati Law School, from which he was graduated in 1880, dividing first honors with another student, and being admitted to the bar soon afterward.

#### His Respects to a Blackmailer.

That fall there occurred one of the most celebrated and characteristic incidents in his life. A man named Rose was then running a blackmailing paper in Cincinnati. He had the reputation of being a dangerous man. He had been a prize fighter, and was usually accompanied by a gang of roughs ready to assault any whom he wanted punished. Alphonso Taft had been the unsuccessful candidate for governor at that election, and Rose's paper slanderously assailed him. For once young Taft forgot his judicial temperament and legal training, and instead of setting the law on the blackmailer he marched down to his office and gave Rose a terrific thrashing.

Rose quit Cincinnati that night and his paper never appeared again. Young Taft had had his first spectacular fight, and it was in behalf of somebody else.

It is not the purpose of this sketch to attempt a detailed biography of Mr. Taft. It merely seeks by a discussion of a few of the more important events of his life to show what manner of man he is. They reveal him as a student of application and ability; a man with an abiding sense of justice, slow to wrath, but terrible in anger; courageous, aggressively honest and straightforward; readier to take up another's cause than his own. This is a foundation on which experience may build very largely, and that is what it has done for Taft.

#### The Call to Public Office.

He was hardly out of his boyhood when he was called to public office, and in most of the years since then he has devoted himself to the public service. First he was assistant prosecuting attorney of Hamilton County, under Miller Outcalt, now one of the leading lawyers of Ohio. In 1881 he became collector of internal revenue for the first Ohio district, and demonstrated the same ability in business that he had shown in the law. A year later he resigned that office and went back to the practice of law, with his father's old partner, H. P. Lloyd. In 1884 he became the junior counsel of a Bar Committee to constitute testament proceedings against Campbell, whose methods of practicing law had brought on the hearing of the Hamilton County Court house in Cincinnati. Though technically unsuccessful, Mr. Taft made a good reputation from his conduct of this matter and Campbell was drawn from Cincinnati. In 1885 he became assistant county solicitor. Two year later Governor

Foraker appointed him Judge of the Superior Court, to succeed Judson Harmon who had resigned to enter President Cleveland's cabinet.

In 1886 Judge Taft married Miss Helen Herron, daughter of Hon. John W. Herron, of Cincinnati. They have three children, Robert Alphonso, a student at Yale, Helen, a student at Bryn Mawr, and Charles Phelps, 2d, who attends the public schools in Washington.

#### **His Judicial Career Begun.**

His appointment as Judge of the Superior Court was the beginning of the judicial career which was Taft's ambition, and for which he was so eminently fitted. He made such a record as a judge that at the close of his appointed term he was triumphantly elected for another term. But already he had attracted attention outside his state, and he had served but two years of the five years for which he had been elected when President Harrison asked him to take the difficult post of Solicitor General of the United States. This was an office of the utmost importance, involving not only wide learning and tremendous application, but the power of clear and forceful presentation of argument. Two of the cases which he conducted as solicitor general involved questions of vital importance to the entire country. The first grew out of the seal fisheries controversy with Great Britain. Mr. Taft won against such eminent counsel as Joseph H. Choate who is widely recognized as a leader of the American bar. The other was a tariff case in which the law was attacked on the ground that Speaker Reed had counted a quorum when the bill passed the House. That, too, he won. It was during his term as solicitor general that Mr. Taft met Theodore Roosevelt, then civil service commissioner, and began the friendship which has continued and grown ever since and which has had such far-reaching influence upon the lives of both men.

#### **On the Federal Bench.**

Mr. Taft's record as solicitor general so clearly proved his fitness for the bench that after three years in Washington he was sent back to Ohio as judge of the Sixth Federal Circuit, a post generally recognized as a preliminary step to the Supreme Court, which was then the goal of his ambition.

It was during his seven years on the federal bench that Mr. Taft's qualities as a judge became known throughout the country. He was called upon then to decide some of the most important cases that have ever been tried in the federal courts, in the conduct of which he established an enviable reputation for learning, courage and fairness—three essential attributes of a great jurist. His power of application and his ability to turn off enormous masses of work received ample demonstration during this time. It was in this period of his service that he rendered the labor decisions which have made him famous as an upright and fearless judge. In his treatment of both labor and capital he showed that here was a judge who knew no distinction of parties when they appeared as litigants before him. He voiced the law as he knew it and the right as he saw it, no matter where the blow fell or whom it struck. If sometimes the decisions went against what organized labor at that time believed to be its cause, it must not be forgotten that no clearer or broader statement of the true rights of labor has even been made than in some of his judicial utterances. Lawyers conducting litigation in other courts on behalf of labor unions have often cited these decisions of Judge Taft in support of their contentions. Neither should it be forgotten that one of the most important and far reaching of all his judgments was that against the Addystone Pipe Company, in which for the first time the Sherman anti-trust law was made a living, vital force for the curbing and punishment of monopoly. When this case reached the Supreme Court, Mr. Taft received the distinguished and unusual honor of having his decision quoted in full and handed down as part of the opinions of the high court which sustained him at every point.



### Pioneering the Roosevelt Policy.

This Addystone Pipe decision marked the beginning of the struggle for federal control of interstate corporations which in the later years has come to be known as the "Roosevelt policy." Mr. Taft in an address to the American Bar Association at Detroit, in the summer of 1895, had enunciated the principle on which President Roosevelt has made his great fight for the suppression of monopoly and the abolition of special privilege. Thus Mr. Taft pioneered the way for the "Roosevelt policy."

### Blazing the Philippine Trail.

Since the settlement of the reconstruction question no more delicate or fateful problem has confronted American statesmanship than that of the Philippines. The sudden pitching of overseas territory into our possession as a result of the war with Spain, created a situation not only unexpected but entirely without precedent. There was no guide for our statesmen. The path had to be hewed out new from the beginning. There was no crystallization of opinion among the American people as to what should be done with the Philippines. A considerable element was vigorously opposed to retaining them, but the vast majority demanded the maintenance of American sovereignty there. Among these, at first, the desire was undoubtedly due to the glamour of aggrandizement. The possibility of wealth somewhere beyond the skyline always catches the imagination, and there can be no question that the great mass of the people moved, without serious thought of the consequences, toward American exploitation of the islands.

But even at that early day there were a few—a very few—among the leaders of American thought and action, who saw clearly the responsibility thrust upon the country by the adventitious possession of the Philippines, and determined to meet it fully, no matter what clamor of opposition might arise. Among these President McKinley was one. Mr. Taft was another. Mr. Taft had been opposed to taking the islands. He was opposed to retaining them. More than all he opposed their exploitation for American benefit. He believed that the Philippines belonged to the Filipinos, and should be developed in the interest of their own people.

### Shouldering the "White Man's Burden."

He saw the possibility of lifting a feeble, ignorant people into the light of liberty and setting them upon the path to intelligent, efficient self-government. That possibility reconciled him to the continuance of American authority over the islands, for none saw more clearly than he the chaos certain to result from immediate independence for the Filipinos, with its inevitable and speedy end in complete and hopeless subjection to some other power. Therefore when President McKinley asked him to go to Manila and undertake the difficult and thankless task of starting the Filipinos upon their true course, he sacrificed the judicial career which was his life's ambition and shouldered the "White Man's Burden." It was in March, 1900, that he received his appointment as chairman of the Philippine Commission.

Not many Americans have ever comprehended thoroughly the size of Mr. Taft's undertaking, or the full meaning of his achievement. Through a bungle in our first dealings with Aguinaldo and the Filipinos the entire native population of the islands had come to believe, with some reason, that the Americans were their enemies and had betrayed them. Mr. Taft arrived in Manila to find a people subdued by force of arms, but unanimously hostile, sullen and suspicious. They were still struggling, with the bitterness of despair, against the power in which they all saw only the hand of the oppressor.

### Overcoming the Barrier Between East and West.

Moreover, their leaders had been inoculated with the belief that between west and east there is an impassible barrier which will always prevent the Occidental from understanding and sympathizing with the Oriental. The experience of generations had



confirmed them in that belief. The only government in their knowledge was tyranny. The only education in their history was deceit. The only tradition they possessed was hatred of oppression, made concrete for them by their experience with western domination.

That was what Mr. Taft had to face, and in three years he had overcome and changed it all. He did it by the persuasive power of the most winning personality the Filipinos had ever known. He met them on their own level. He lived with them, ate with them, drank with them, danced with them, and he showed them that here was an Occidental who could read and sympathize with the Oriental heart. He gave them a new conception of justice, and they saw with amazement that it was even-handed, respecting neither person nor condition, a great leveler, equalizing all before the law. They saw Mr. Taft understanding them better than they had understood themselves, comprehending their problems more wisely than their own leaders had done, and standing all the time like a rock solidly for their interests. They saw him opposed by almost all his countrymen in their islands, denounced and assailed with the utmost vehemence and venom by Americans simply because he steadfastly resisted American exploitation and persisted in his declaration that the Philippines should be for the Filipinos. They saw him laboring day and night in their behalf and facing death itself with cheerful resignation in order to carry on their cause. It was a revelation to them. It was something beyond their previous ken, outside of all their experience, their education and their tradition. It convinced them.

#### **A Revelation to the Filipinos.**

Mr. Taft gave them concrete examples of disinterestedness and good faith, which they could not fail to comprehend. He gave them schools and the opportunity of education, one of the dearest wishes of the whole people. No man who was not in the Philippines in the early days of the American occupation will ever understand thoroughly with what pitiful eagerness the Filipino people desired to learn. Men, women and children, white haired grandfathers and grandmothers craved above everything the opportunity to go to school and receive instruction in the simplest rudiments. It is difficult to tell how deeply that eager desire touched Mr. Taft and how earnestly he responded to it.

But education was only a beginning. Mr. Taft gave the Filipinos the opportunity to own their own homes. It was another concrete example of simple justice. When they saw him negotiating for the friar lands, securing for the Filipinos the right to buy those lands on easy terms, it went home to the dullest among them that he was working unselfishly in their behalf.

And they saw his justice in their courts. For the first time in all their experience the poorest and humblest Filipino found himself able to secure an even-handed honest decision, without purchase and without influence.

Even that was not all. They saw Mr. Taft literally and faithfully keeping his promise and calling Filipinos to share in their own government, not merely in the subordinate and lowly places which they had been able to purchase from their old masters, but in the highest and most responsible posts. They saw men of their race called to membership in the commission, in the supreme court, and in all the other branches of their government. And they believed the promise of even wider experience of self-government to come.

#### **An Unparalleled Achievement.**

It was a practical demonstration of honesty and good faith such as the Philippines had never known. It was a showing of sympathy, justice and comprehension which could not be resisted. Conviction followed it inevitably. The whole people knew—because they saw—that the Philippines were to be maintained for the Filipinos, and they recognized their own unfitness for the full responsibilities of independent self-government, and cheerfully set themselves to the task of preparation.

That is the achievement of Mr. Taft in the Philippines. It

has scarcely a parallel in history. What it cost him he paid without question or complaint. He had given up his judicial career when he went to Manila. But three times in the course of his service for the Filipinos the opportunity to re-enter it came to him, each time with an offer of a place on the supreme court which had been his life-long goal. Each time he refused it. Not even President Roosevelt understood the call to Mr. Taft from the Filipinos, and when he offered a supreme court justiceship to Mr. Taft he accompanied it with almost a command. But Mr. Taft declined. He saw clearly his duty lay to the people whom he had led to believe in him as the personification of American justice and good faith, and he made the President see it too. How the Filipinos felt was shown when on hearing of the danger that Mr. Taft might be called away from Manila, they flocked in thousands about his residence and begged him not to go. When ultimately he did leave the islands it was only to come home as Secretary of War, in which office he could continue his direction of Philippine affairs and make sure that there should be no deviation from the successful line of policy he had marked out.

### **The Birth of a Nation.**

What is the result? The birth of a nation. The great, powerful American people, through the compelling agency of Mr. Taft, has paused ever so slightly in its triumphant onward march, to stoop down and lift up a feeble, ignorant and helpless people and set it on the broad highway to liberty. Vaguely, uncertainly, not comprehending clearly just what it was doing, not understanding always fully either the object or the means of accomplishment, but its heart right, and submitting confidently to the leadership of a man in whom it trusted implicitly, this nation has assisted in a new birth of freedom for a lowly and oppressed people. To William Howard Taft belongs the lion's share of the credit. Not often is it given to one man to do such work for humanity. Seldom is such altruism as his displayed. Many other honors have come to him; many others will yet come. Among them all none will be of greater significance or of more lasting value than his work for the Filipinos.

### **Secretary of War.**

It is not important here to discuss in detail Mr. Taft's administration of the War Department since he succeeded Elihu Root as Secretary of War on February 1, 1904. He has been at the head of it during the years of its greatest range of activity. He is not merely Secretary of the Army, as almost all his predecessors were. He is Secretary of the Colonies. Under his direction are matters of the utmost importance affecting every one of the over-sea possessions of the United States. The affairs of the army alone have often proved sufficient to occupy the whole attention of an able secretary. Mr. Taft has had to handle not only those and the Philippine and Cuban business, but to direct the construction of the Panama Canal as well. And at not infrequent intervals he has been called on to participate in the direction of other weighty affairs of government. He has been the general adviser of President Roosevelt and has been called into consultation on every important matter which has required governmental action.

The administration of canal affairs has required in a high degree that quality described as executive ability. The building of a canal is a tremendous enterprise, calling constantly for the exercise of sound business judgment. In it Mr. Taft has displayed in ripened proportions the abilities he foreshadowed when solicitor general and collector of internal revenue.

### **Building the Canal.**

When Mr. Taft became Secretary of War this country had just taken possession of the canal zone, under treaty with the republic of Panama, and of the old canal property, including the Panama railroad, by purchase from the French company. The work was all to do. The country expected the dirt to fly at once. The newspapers and periodicals were full of cartoons representing Uncle Sam in long boots with a spade on his shoulder, striding down to the isthmus to begin digging. But before there could



be any real excavation there was a tremendous task to meet. First of all the isthmus must be changed from a disease breeding pest-hole to a place where Americans could live and work in safety. The canal zone must be cleaned up, mosquitoes stamped out and the place made sweet and healthy. Habitations must be constructed for many thousands of workmen and their families. The cities of Panama and Colon, at the terminal of the canal, must be made thoroughly sanitary and supplied with water and sewers. An organization for the work of canal construction must be perfected and millions of dollars worth of machinery and supplies must be purchased and transported to the isthmus.

All these things, however, were of a purely business character. It required only time and ability to handle them properly. But there was another matter to be taken care of before these could be undertaken, and it was of a decidedly different nature. The Hay-Varilla treaty with Panama had secured to the United States all the rights necessary for complete control of the canal zone, and it became of the utmost importance to insure the maintenance of friendly relations with the people of the isthmus republic. It would certainly greatly increase the ordinary difficulties of building the canal if our people had to encounter the hostilities of the Panamanians.

Here was a problem largely similar to that met by Mr. Taft in the Philippines, and calling for the exercise of the same qualities of tact, sympathy, justice and patience which he had exhibited in the Far East.

It became his task to convince the Panamanian people and government that the United States had not gone to the isthmus to build a rival state instead of a canal. As head of the War Department, and the superior of the Canal Commission, he has conducted all the affairs of this Government with the Republic of Panama since the ratification of the original treaty, and has succeeded in keeping our relations with the isthmus uniformly pleasant. Always, at least once a year, he has made a trip to the canal zone and examined affairs there with his own eyes. He has just returned from the isthmus, the President having sent him there to settle a number of questions which required his personal consideration on the ground. Perhaps some conception of his responsibilities on the isthmus may be had from the fact that since the actual work of canal building began there has been spent on it upward of \$80,000,000, and every dollar of that expenditure required and received his approval.

#### **Real Self-Government for Cuba.**

Aside from the Philippines and the Canal the greatest call that has been made upon Mr. Taft since he became Secretary of War came from Cuba. This was a case largely similar to the Philippine problem. The American people have so long imbibed the theory and practice of self-government with their mothers' milk that they have developed a tendency to believe any people fitted for it who desire it. To us liberty is self-government, but to many a people with neither experience nor tradition of anything but practical autocracy self-government is only license. So it was with the Cubans. When our intervention had freed that island from the Spanish yoke we deemed it sufficient insurance of successful government for the Cubans to require them to adopt a constitution before we turned the island over to them. We ignored the fact that Cuba had no experience of constitutions or understanding of their functions. So when Cuba had conformed to our requirement we sailed away from Havana and left her to work out her own salvation unaided and untaught.

The result of that folly was inevitable and not long delayed. The Cubans having adopted a constitution they had not the slightest idea of what to do with it. They proceeded to govern under the only system of which they had any knowledge. The proclamation of the President took the place of the old royal decree. He created by his fiat the departments of government which should have been established by law of Congress under authority of the Constitution. Freedom in the American sense was unknown in Cuba.



### Order Out of Chaos.

The experiment was aimed toward chaos and its expectation was quickly realized. In September, 1906, the United States had to intervene again, and the task fell on Mr. Taft. Fortunate it was both for the United States and Cuba that it was so. With his experience of the Filipino as a guide and the magnetism of his personality as a lever, Mr. Taft placated the warring factions and secured peaceable intervention. Then he devised and set up a provisional government which all the Cubans accepted.

It was the intention then to maintain the government only long enough to give the Cubans a fair election at which they might select their own government by full and free expression of their own will. But almost immediately the provisional government discovered the fundamental mistake made by the earlier American administration. It found that the Cubans had been attempting to administer a government which never had been organized and existed only by virtue of the President's will. Patiently the provisional government set to work, under the direction of Mr. Taft, to provide the organization under the fundamental law which the Cubans had never known was the essential of successful self-government. The work is now nearing completion, and when next the Americans quit Havana it will be after turning over to the Cubans a government machine properly established and fully equipped, whose operation they have been taught to understand and control. Thus, to two peoples has Mr. Taft been called upon to give instruction in practical self-government.

The character of Mr. Taft is the resultant of strongly contrasting forces. He is a man who laughs and fights. From his boyhood, good nature and good humor have been the traits which always received notice first. But all the time he has been capable of a splendid wrath, which now and then has blazed out, under righteous provocation, to the utter consternation and undoing of its object. Because he is always ready to laugh, and has a great roar of enjoyment to signify his appreciation of the humorous, men who have not observed him closely have often failed to understand that he is just as ready to fight, with energy and determination, for any cause that has won his support. But it is almost always some other man's cause which enlists him. His battles have been in other interests than his own. First of all he is an altruist, and then a fighter.

### A Combative Altruist.

This combative altruism is Mr. Taft's most distinguished characteristic. As Secretary of War he has earned the worldwide sobriquet of "Secretary of Peace." He has fought some hard battles, but they were with bloodless weapons, and the results were victories for peace. The greater the degree of altruism the keener was his zeal, the harder and more persistent his battle. The greatest struggle of his career, in which he disregarded utterly his settled ambition, and cheerfully faced a continuing serious menace to life itself, was on behalf of the weakest and most helpless object in whose cause he was ever enlisted—the Filipino people. That was the purest and loftiest altruism.

But although this is the dominant trait of Mr. Taft, he is well known for other qualities. His judicial temperament, founded upon a deep-seated, comprehensive and ever alert sense of right and wrong; his courage, proved by repeated and strenuous tests; his calm, imperturbable judgment, and his all embracing sympathy are characteristics that have been often and widely noted. They are his by right of inheritance from generations of broad-minded, upright men and women. The development of his country has extended the range of his opportunity and given greater scope to his activities than was enjoyed by Alphonso Taft, his father, or Peter Rawson Taft, his grandfather, but in character and intellect he is their true descendant.

The American people know Mr. Taft as a man of pervasive good humor, always ready with a hearty laugh, and quick to see fun in any situation. His other side has not often appeared.

but he is capable of tremendous wrath. Nothing arouses it more quickly than unfaithfulness to a trust or an exhibition of deceit. Injustice in any form stirs him to the bottom instantly. He has a broad, keen, quick, all-embracing sympathy, always ready to respond to any call. His sense of justice is wonderfully quick-springing and alert. And he has a genuine fondness for work, which enables him to derive real pleasure from his task. These qualifications are the endowment of an unusually gifted man. The people know, because they have seen, his ability to turn off an enormous amount of work. They have seen him prove an exceptional executive ability. They have seen him manifest an equipment for the Presidency such as no other man has shown before his election to that office. In experience, training and ability, Mr. Taft has amply proved his fitness for the chief magistracy of the nation.

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Our country is growing better, not worse.—Hon. C. W. Fairbanks, at Baldwin, Kas., June 7, 1901.

No men living are more worthy to be trusted than those who toil up from poverty; none less inclined to take or touch aught which they have not honestly earned.—Lincoln.

Whenever called upon, the negro has never failed to make sacrifices for this, the only country he has, and the only flag he loves.—Hon. Wm. H. Taft, at Plymouth Church, Brooklyn.

I am opposed to free trade because it degrades American labor; I am opposed to free silver because it degrades American money.—Maj. Wm. McKinley to Homestead workingmen, Sept. 12, 1896.

This is an era of great combination both of labor and of capital. In many ways these combinations have worked for good; but they must work under the law.—President Roosevelt at Charleston, April 9, 1902.

I would favor a provision allowing the defendant in contempt proceedings to challenge the judge issuing the injunction, and to call for the designation of another judge to hear the issue.—Hon. Wm. H. Taft, at Cooper Union, New York City.

The American test should be the test of integrity, loyalty, and incorruptible devotion, whether in the discharge of public or private business.—Address of Secretary Cortelyou, at the annual banquet of the Auburn Business Men's Association, Auburn, N. Y., Wednesday, April 22, 1908.

Our political campaigns must be conducted upon the high plane of principle, in which the fullest discussion of policies shall be encouraged, but in which misrepresentation and abuse shall have no part.—Postmaster-General Cortelyou, at the annual banquet of the Lincoln Republican Club, Grand Rapids, Mich., Feb. 12, 1906.

I do not know any place which thrills one's bosom with patriotic ecstasy as the sepulchre of the unknown dead in Arlington Cemetery. The thought of the heroism and sacrifice of those who, without a murmur and without even hope of personal credit or glory, gave up all to maintain a sacred cause, makes all motives of personal advancement or ambition seem small and sordid.—Hon. Wm. H. Taft, at Riverside Park, New York.

We must approach every public question with a determination to be fair and just in its discussion. Reforms to be practical must be reasonable. They must begin among the people whose safeguard is the ballot, through which every offender can be ultimately reached.—Extract from address of Postmaster-General Cortelyou on Lincoln's Influence on American Life.

Taking the work of the Army and civil authorities together, it may be questioned whether anywhere else in modern times the world has seen a better example of real constructive statesmanship than our people have given in the Philippine Islands.—President Roosevelt's annual message, second session, Fifty-seventh Congress.

Anything that makes capital idle, or which reduces or destroys it, must reduce both wages and the opportunity to earn wages. It only requires the effects of a panic through which we are passing, or through which we passed in 1893 to 1873, to show how closely united in a common interest we all are in modern society. We are in the same boat, and financial and business storms which affect one are certain to affect all others.—Hon. Wm. H. Taft, at Cooper Union, New York City.



## ELIHU ROOT'S APPRECIATION OF JAMES S. SHERMAN.

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Hon. Elihu Root, Secretary of State, delivered the following estimate of Hon. James S. Sherman, the Vice-Presidential candidate, at the notification ceremonies at Utica, N. Y., on August 18.

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"This occasion justifies general congratulation. The people of the Herkimer-Oneida district are to be congratulated on the confirmation of the judgment they have so long maintained in the selection of their representative in Congress.

"Republican national conventions have always been very wise bodies and the last convention's imitation of you in nominating Mr. Sherman, is the sincerest flattery. Mr. Sherman should be congratulated upon this signal expression of opinion and feeling by the people of his home. There are few things in this world worth so much as the respect, esteem and affection of the community in which one has passed his life. Money cannot buy this; scheming cannot produce it, artifice cannot simulate it.

"It answers to no call but that of character. It is natural reaction of kindly human nature under the influence of what the man really is.

"The country is to be congratulated upon this evidence that one of the men for whom it will have an opportunity to vote at the coming election for the office of Vice-President, to preside over the Senate and to stand in the place of heir apparent to the Presidency, is a good and true man, in whose hands the vast interests of American prosperity and peace and order and liberty will not suffer.

"There can be no better evidence of a candidate's worth than the esteem in which he is held at home. What political partisans and political enemies say about a man is apt to be colored by their partisanship or their enmity. The praise and depreciation of a campaign is a poor guide to just opinion. What the newspapers say about a man often reflects but a superficial judgment based upon those occasional striking and spectacular acts which constitute news rather than upon the inconspicuous, steady and most useful labor and conduct that make up the true record of life. The members of the national government for the past 20 years know what Mr. Sherman has done in the broad field of national legislation. They know with what modest disregard for personal display, thorough knowledge, clearness of expression and force of mind and character he has maintained upon the floor of the House, his views of what was best in legislation, until the time has come when every member listens with attention and respect, because it is he



who speaks. They know that rare combination of quick perception, fair judgment and decision of character which, through long experience as chairman in committee of the whole, has made him the best parliamentarian of the House of Representatives, and a member of the standing committee of five which directs the difficult and complicated administration of the rules necessary to enable the House to do its business, and of necessity which in a great measure directs the conduct of business. But we know our friend and neighbor better than the men at Washington, better than the newspapers, better than the politicians. We know the man himself through and through by his living—by the multitude of little things that in the long course of years make up a record that cannot be untrue. We know the stock he came from—sound and honest stock. We know his respected father. Some of us go back to knowledge of his grandfather. My own recollections of earliest childhood are of a farmhouse in the town of Vernon and a stone's throw away the simple house of his grandfather, Willet Sherman, an honored and conspicuous figure, remaining from the early settlers of the county—a leader in the first manufacturers of central New York. We have followed the grandson through his boyhood and manhood. We know that he has been a good husband and a good father and a good neighbor; that he has always been upright in business, self-respecting, just, fair and considerate; that everybody in the community trusts him and believes his word without any bond. We know that no desire to make money ever led him to do a mean or unfair or unkind act, and that he never sought to grow richer by making anyone else poorer. We know that he is a true and loyal friend and that from all this region the weak and unfortunate have learned to go to him, always to find help in his sympathy. We know that he has always borne his part as a good citizen in the public affairs of the community and that he is universally respected and beloved.

“We are competent to testify, not upon hearsay, but of knowledge, and we do now testify to our countrymen everywhere—to the people of all distant States, that this is a man for Americans to be proud of, to respect, to honor and to love.

“We certify to all that great electorate that when their votes in November shall have chosen James Schoolcraft Sherman to be Vice-President of the United States, the Senate will be sure of a presiding officer in character and competency worthy of the best traditions of that great deliberative body, and that if, which God forbid, the sad contingency were to come which should for a fourth time call a Vice-President from New York to the executive office, the interests of the country, and of the whole country, would be safe in good hands; and the great office of the Presidency would suffer no decadence from the high standard of dignity and honor and competency of which we are so justly proud.”

# JAMES SCHOOLCRAFT SHERMAN

## REPUBLICAN NOMINEE FOR VICE-PRESIDENT

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JAMES SCHOOLCRAFT SHERMAN, the Republican nominee for Vice-President, was born October 25, 1855, in the same ward of the City of Utica in which he now lives. The house Mr. Sherman now occupies is only a half a dozen squares from the house where he was born.

Mr. Sherman can trace his ancestry back to Sir Henry Sherman, of Dedham, England, in the sixteenth century, and the male succession comes down through Henry, Samuel, Philip, Benjamin, Jonathan first, Jonathan second, Robert, Willett H., and Richard U.

Richard U. Sherman's mother was Catharine Schoolcraft, a daughter of Lawrence Schoolcraft, a Revolutionary soldier and friend of the Indians of the Mohawk Valley. The candidate was named for his grandmother's brother, James Schoolcraft.

Richard U. Sherman, the Congressman's father, was born in Vernon, Oneida County, New York, and was by profession an editor, although a large portion of his life was spent in public service. He was Major-General of the State Militia, an alderman of Utica, a member of the Board of Supervisors, Chairman of the Board for a half a dozen years, Clerk of the New York State Assembly, three times a member of the Assembly, author of the Manual which is still in use in the Assembly, and was a member of the Constitutional Convention of the State in 1867. He was for fifteen years President of the Fish, Forest and Game Commission, and very much interested in the preservation of the Adirondacks. He was Tally Clerk of the House of Representatives from 1860 to 1870, and in 1872 was the Liberal Republican candidate for member of Congress.

After retiring from active business, Richard U. Sherman accepted the office of President of the village of New Hartford, and also occupied the position of Justice of the Peace, and in the discharge of his duties as such spent most of his time in bringing about amicable settlements of neighborhood disputes.

Congressman Sherman's mother was Mary F. Sherman, a lady of most beautiful character, whose activities outside of her family cares were devoted to charitable and Christian work. She was a woman of fine mind, whose influence was felt not alone by her family, but by all with whom she came in contact. The memory of her acts of charity and kindness and the pleasant words and unbounded hospitality is treasured by all who came within her circle.

Up to the time of his marriage, Richard U., the father, had spelled his name with an "a," (Shearman). At the time of his marriage the "a" was dropped. The relationship between the two was remote.

When James S. Sherman was two years old his father moved, with his family, to a farm two miles south of the village of

**New Hartford.** Here they lived until 1868. In the fall of 1868, Mr. Sherman's parents purchased a house in the village of New Hartford, where they continued to live until the death of Mr. Sherman's mother in 1896, his father having died the year previous.

Mr. Sherman lived with his parents until 1881, when he was married at East Orange, N. J., to Carrie Babcock, taking up his residence in the Seventh Ward of the City of Utica, two blocks from where he now resides.

While Mr. Sherman lived on his father's farm he attended the district school, half a mile from home, and, when old enough to do so, he assisted in doing such work on the farm as a boy of his years would be capable of doing. After removing to the village of New Hartford he attended the public school in that town, and later attended the Utica Academy, which was four miles distant from his home, connected by a street car service. Later he attended the Whitestown Seminary, a preparatory school situated in the village of Whitesboro, four miles distant. This was a co-educational institution, with a very large attendance. From this school young Sherman entered Hamilton College in the fall of 1874, and was graduated in 1878. In school and college he was distinguished for general goodfellowship rather than scholarship. He gained a considerable reputation as a declaimer in both school and college, carrying off the first honors in declamation at the end of his Freshman year. He also enjoyed a reputation as a debator, and was one of six chosen from his class at the conclusion of his Senior year to contest for prizes.

After leaving college Mr. Sherman began, at once, the study of law in the office of Beardsley, Cookinham and Burdick, at Utica, N. Y. He was admitted to practice two years later, and at once formed a partnership with Hon. H. J. Cookinham, his brother-in-law, and former Mayor John G. Gibson. He continued the practice of law in partnership with Mr. Cookinham, with various changes in the personnel of the firm, until January 1, 1907, when he withdrew as a member of the law firm. In his law practice his work partook more of an office business than an advocate.

In 1899, with other Utica business men, he organized the Utica Trust and Deposit Company, now one of the leading banks of Central New York and was chosen as its President, which position he has since occupied. The New Hartford Canning Company was organized in 1881 by his father and another gentleman, and after his father's death he became president of the company. He is also interested, in various ways, in many other local enterprises.

Mr. Sherman's first active work in politics was the year succeeding his graduation from college, when he spoke a few times in different parts of the county in advocacy of the election of Alonzo B. Cornell, Republican candidate for Governor, making his first speech in the town of his residence. During the last fifteen years Mr. Sherman has campaigned in various parts of the State, having spoken in most of the important cities, and in a great many minor places, as well as in half a dozen or more other States. During various campaigns he has spoken in substantially every town in Oneida and Herkimer counties. He was chosen Mayor of Utica in 1884. The city was then, as now, normally Democratic, but he was elected by a substantial



Republican majority. At the end of his term, which was for one year, he declined a unanimous renomination.

He was first named for Congress in 1886, the contest for the nomination being quite a spirited one, there being half a dozen candidates, his chief competitor being the Hon. Henry J. Coggeshall, then State Senator from that district.

Mr. Sherman was renominated each succeeding two years by acclamation until 1896, when there was a contest for the nomination, his competitors being Hon. Seth G. Heacock, of Herkimer, now State Senator, and John I. Sayles of Rome, Oneida County. Since that time he has been nominated by acclamation each succeeding two years until the present time. He presided over the State convention in 1895 as temporary chairman, and over the State conventions of 1900 and 1908 as permanent chairman. He was secretary of the Oneida County Republican Committee in 1882, and for the three following years was chairman of that committee. He was a delegate to the Republican National Convention in 1892.

In 1898 Mr. Sherman was appointed by President McKinley a member of the Board of General Appraisers of the City of New York, and the nomination was confirmed by the Senate. It was his desire, at the time, to accept the appointment, but political and business friends at home, including the Chamber of Commerce and the Republican County Committee, passed resolutions and appointed a committee to wait upon him and urge him not to retire as a member of Congress, and, in conformity with the desires of his constituents, he declined the appointment.

Two years later he was tendered, by the Steering Committee of the Senate, the position of Secretary of the U. S. Senate. Realizing that the wishes of his constituents had not changed within the two years, he declined this position.

Mr. Sherman was the orator on the occasion of the laying of the corner-stone of the building presented to the Oneida Historical Society of Utica. He was also the orator on the presentation of the Butler Memorial Home by the late Morgan Butler to the town of Hartford. The Indian School of Riverside, Cal., was, at the request of the people of Riverside, named by the then Commissioner of Indian Affairs, Sherman Institute, in his honor.

Mr. Sherman, early in his congressional career, became a prominent member of the House, and during the last few terms of Congress has been numbered among the leaders. His parliamentary ability was early recognized, and, perhaps, no other member has so frequently been called to the chair to preside over the Committee of the Whole. He was one of the closest friends of Speaker Reed, as he was of Speaker Henderson, and has been, and is, of Speaker Cannon.

Mr. Sherman was a candidate for the speakership when Thomas B. Reed retired. For twelve years he has been Chairman of the Committee on Indian Affairs, and his work, at the head of that Committee, has received unstinted praise from all concerned in the work of the Committee, without regard to party. He is, at present, also a member of the Committee on Rules and of Interstate and Foreign Commerce.

Had Mr. Sherman remained a member of the House, there is no doubt whatever that he would have been elected Speaker at the conclusion of Mr. Cannon's incumbency of that office.

Mr. Sherman, besides being prominently connected with many business institutions of his city and elsewhere, is a member of many social and fraternal organizations. He is a member of the Fort Schuyler Club of Utica, and the Sadaquada and Yahnandasias Golf Clubs. Of the Yahnandasias Club he has been Governor for seven or eight years, and was its President for two years. He is a member of the Arcanum Club of Utica, and a member of the Royal Arcanum and the Order of Elks. He is also a member of the Union League Club, Transportation Club and the Republican Club of the City of New York, and the Columbia Golf Club of Washington. He is a trustee of Hamilton College, which gave him the degree of LL. D. in 1905, and President of the Washington Alumni Association of that college. In college he was a member of the Sigma Phi Society, the second oldest college society in America, of which society Secretary of State Root and the late Senator Ingalls of Kansas, and many other prominent men have been members.

Mr. Sherman has been a regular attendant at the Dutch Reform Church in Utica since his marriage in 1881. Prior to that time he had been attending the Presbyterian Church at New Hartford. For five years just passed he has been treasurer of his church, and for three years, Chairman of the Board of Trustees.

Mr. Sherman has three sons: Sherrill, aged twenty-five, who is note teller in the Utica Trust & Deposit Co.; Richard U., aged twenty-three, who is acting professor of mathematics at Hamilton College, and Thomas M., aged twenty-two, who is secretary of the Smyth-Despart Co., dealers in mill supplies, at Utica. Sherrill and Thomas are married, and each has a daughter, both of whom are idols of their grandparents, in whose company they spend as much time as possible.

Mr. Sherman's home life is an ideal one. A part of the house in which he lives is over a century old, and full of many relics—not only of historical interest in Oneida County, but gathered from all parts of the United States—particularly Indian relics, in which subject Mr. Sherman has, for a long time, been deeply interested because of his Chairmanship of the Committee on Indian Affairs of the House of Representatives. With ample lawn and garden plots, Mrs. Sherman's desire to cultivate every possible blossom and flower is carried out to the full, and during the spring, summer and fall, nearly every room in the house has its vase of freshly cut flowers from the yard and garden.

Living, as he does, in the vicinity in which he has made his home since birth, and with his splendid record and high attainments, it is no wonder that James S. Sherman is looked upon as the first citizen of, not only Utica, but of the surrounding counties. At his home-coming following his nomination, the city saw its largest celebration in its history, and this means much in the city or county that has held such men as Roscoe Conkling, Francis Kernan and Horatio Seymour. The welcome was absolutely non-partisan in character; in fact, it seems as if the Democrats were bound to outdo their Republican neighbors in showing their appreciation of the honor that had come to their city.

To one visiting Utica at the present time and giving his impression in a single sentence, it would be: "How Utica does love Jim Sherman, and how Jim Sherman loves Utica."



# ADDRESS OF HON. JAMES S SHERMAN

In Response to Notification Speech at Utica, N. Y., August 18, 1908.

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Senator Burrows and Gentlemen of the Notification Committee:

Your chairman, speaking for the committee, has notified me of my nomination by the Republican National Convention, held in Chicago in June, as the party's candidate for Vice-President. As I chanced to be in Chicago in June, I had an inkling of the convention's action, which was confirmed by a warm-hearted reception tendered me by my neighbors on the occasion of my home-coming on July 2.

## In Accord With Mr. Taft.

This official notification, however, is welcome and the nomination you tender me is accepted; accepted with a gratitude commensurate with the great honor conferred; accepted with a full appreciation of the obligations which accompany that honor, an honor greater because my name is linked with that of William H. Taft, whom I respect and esteem highly and who approaches the high office of President exceptionally well equipped to discharge the duties and bear the varied and weighty responsibilities of that exalted position. My acceptance could not be made with honor unless I were in full accord with the declaration of principles adopted by the convention. Not only am I in full and complete accord with my party's platform, but I endorse every word of the statement made by Mr. Taft in his address of acceptance when notified of his nomination as the Republican candidate for President.

That speech fully and comprehensively discusses the issues of this campaign as presented by the platforms of the two great parties, so that it is appropriate that my statement should be short. Those not convinced by the presentation of Mr. Taft I could not hope to persuade. It is, however, in conformity with custom that I refer at least briefly to some of the important issues of the campaign.

## A Discussion of the Tariff Issue.

First, then, let me say that I am a protectionist. I am sufficiently practical to value the utility of a fact higher than the beauty of a theory, and I am a protectionist because experience has demonstrated that the application of that principle has lifted us as a nation to a plane of prosperity above that occupied by any other people.

I especially commend that plan of our platform which promises an early revision of tariff schedules. That pledge will be fulfilled in an adjustment based in every particular upon the broad principles of protection for all American interests; alike for labor, for capital, for producers and consumers. The Dingley Bill, when enacted, was well adapted to the then existing conditions. The developments of industrial prosperity in a decade, which in volume and degree have surpassed our most rosy expectations, have so altered conditions that in certain details of schedules they no longer in every particular mete out justice to all. In this readjustment the principle of protection must and will govern; such duties must and will be imposed as will equalize the cost of production at home and abroad and insure a reasonable profit to all American interests. The Republican idea of such a profit embraces not alone the manufacturer, not alone the capital invested, but all engaged in American production, the employer and employed, the artisan, the farmer, the miner and those engaged in transportation and trade; broadly speaking, those engaged in every pursuit and calling which our tariff directly or indirectly affects. During a statutory application of



this principle, prosperity has bided with us. When a revenue tariff has been the law, adversity and want have been our portion. Our Democratic brethren, whose memories are as short as their promises are frail, and who have always exhibited a lack of capacity to profit by experience, unmindful of the distress and destruction that arrived and departed with the last Democratic administration, declare in their platform that they favor such "immediate revision of \* \* \* schedules as may be necessary to restore the tariff to a revenue basis." A "revenue basis," a "tariff for revenue only," "ultimate free trade"—all have an identical meaning; that meaning being an assault upon American industries, an attack upon the American wage scale, a lessening demand for the products of American soil and American toil; less work, less pay, less of the necessities and comforts of life. In the light of history, what issue of the campaign so vitally affects American citizens? Experience, that effective teacher—effective save with the one-man power now parading under the title of the Democratic party—has taught the nation a valuable lesson and the result of the coming November election will once more prove the American people to be apt scholars. What the laborer of the land, skilled and unskilled, desires is the opportunity at all times to exchange his brain and brawn for good pay in good money. A protective tariff and the gold standard, both now the existing achievements of the Republican party, in spite of Democratic opposition, give the laborer that opportunity.

#### Enactments of Labor.

The Republican party believes in the equality of all men before the law; believes in granting labor's every request that does not seek to accord rights to one man denied to another. Fair-minded labor asks no more, no less, and approves the record of the Republican party because of that party's acts.

I have helped to make my party's record in the enactment of the Eight-Hour Law, the Employers' Liability Act, the statutes to minimize the hazard of railroad employees, the Child Labor Law for the District of Columbia, and other enactments designed especially to improve the conditions of labor. I cannot hope to better state my position on injunctions than by a specific endorsement of Mr. Taft's Cincinnati declaration on that subject. That endorsement I make.

#### The Colored Race.

As a nation our duty compels that by every constitutional and reasonable means the material and educational condition of the colored race be advanced. This we owe to ourselves as well as to them. As the result of a course of events that can never be reversed, they are a part of our civilization; their prosperity is our prosperity; their debasement would be our misfortune. The Republican party, therefore, will offer every encouragement to the thrift, industry and intelligence that will better their prospect of higher attainment.

#### Army and Navy and Merchant Marine.

I believe in the maintenance of such an army, the upbuilding of such a navy as will be the guarantee of the protection of American citizens and American interests everywhere, and an omen of peace; that at every exposed point we may be so fortified that no power on earth may be tempted to molest us. I believe in the restoration of the American merchant marine and in rendering whatever financial aid may be necessary to accomplish this purpose.

I approve the movement for the conservation of our natural resources; the fostering of friendly foreign relations; the enforcement of our Civil Service Law, and the enactment of such statutes as will more securely and more effectively preserve the public health.

#### Adherence to Roosevelt Policies.

Our platform, as it should do, pledges adherence to the policies of President Roosevelt; promises to continue the work inaugurated during his administration, to insure to persons and

property every proper safeguard and all necessary strengthening of administrative methods will be provided to furnish efficient inspection and supervision, and prompt righting of every injustice, discrimination and wrong.

I have not touched upon every plank of our splendid platform, but I reiterate my full and unqualified approval of its every promise.

#### **No Class Legislation.**

I emphasize as my party's creed and my faith that in legislation and administration favor should be extended to no class, no sect, no race, no section as opposed to another. To foster class hatred, to foster discontent, is un-Republican and un-American. Our party stands on the declaration that all men are created with equal rights and it will have no party in the enactment of execution of any law that does not apply alike to all good American citizens, whatever their calling or wherever they live. It will allow no man in our land to have advantage in law over any other man. It offers no safeguard to capital that is not guaranteed to labor; no protection to the workman that is not insured to his employer. It would offer to each and to both in pursuit of health and happiness and prosperity every possible advantage.

The work that has been given the Republican party to do has been of immense importance. Much of that work has been fully accomplished; some has yet to be completed. Republican declarations once in our platform and no longer there, are complete because they have become accomplished facts. On the other hand, Democratic declarations have been abandoned because the voters have pronounced them to be unwise and unsafe and unsuited to our time and our country.

#### **The People Rule.**

"Shall the people rule?" is declared by the Democratic platform and candidate to be "the overshadowing issue \* \* \* now under discussion." It is no issue. Surely the people shall rule, surely the people have ruled; surely the people do rule. No party rules. The party, commissioned by the people, is simply the instrument to execute the people's will, and from that party which does not obey their expressed will, or which lacks the wisdom to lead successfully, the people will withdraw their commission.

For half a century, with but two exceptions, the people have commissioned the Republican party to administer the National Government; commissioned it because its declared principles appealed to their best judgment; commissioned it because the common sense of the American people scented danger in Democratic policies. Ours always has been, always must be, a government of the people. That party will, after March 4 next, execute old laws and enact new ones as in November it is commissioned by the people to do. That commission will be from an untrammelled American electorate. Shame on the party which, shame on the candidate who, insults the American people by suggestion or declaration that a majority of its electorate is venal. The American voter, with rare exception, in casting his ballot, is guided by his best judgment, by his desire to conserve his own and the public weal.

#### **The Overshadowing Issue and Party Record.**

The overshadowing issue of the campaign really is: shall the administration of President Roosevelt be approved; shall a party of demonstrated capacity in administrative affairs be continued in power, shall the reins of government be placed in experienced hands, or do the people prefer to trust their destinies to an aggregation of experimental malcontents and theorists, whose only claim to a history is a party name they pilfered.

With a record of four decades of wise legislation; two score years of faithful administration: offering its fulfilled pledges as a guaranty of its promises for the future, the Republican party appeals to the people and, with full confidence in their wisdom and patriotism, awaits the rendition of the November verdict.

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# Rural Free Delivery.

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## SPEECH

OF

**HON. ARTHUR L. BATES,**  
**OF PENNSYLVANIA,**

**IN THE HOUSE OF REPRESENTATIVES.**

**Tuesday, May 26, 1908**

Mr. BATES said:

Mr. SPEAKER: The rural free-delivery service has fully kept pace with the growth and development of our whole country. The farmer is now reaping some of the rewards he has so justly earned in the past by the burdens that he has borne. He is the producer of wealth. He is coming to be one of the most independent of all our citizens. No branch of the public service has been so well developed and improved in the past few years as the rural free delivery. There were only 8,000 rural routes in operation six years ago. There are now almost 40,000, and these are scattered through every State and Territory of the country, so that there is not a rural section in the whole land that is not practically covered. This entire service has been extended from a small beginning eleven years ago, during the three Republican Administrations with which the country has been blessed since 1897. I believe that the appropriation of \$35,000,000 made this year for the support of rural free-delivery service brings more direct benefit to the people of this country whom it affects than almost any other appropriation made by the General Government.

In 1900 President McKinley, in his message to Congress, in speaking of the postal service, used language as follows:

"Its most striking new development is the extension of rural free delivery. \* \* \* This service ameliorates the isolation of farm life, conduces to good roads, and quickens and extends the dissemination of general information. Experience thus far has tended to allay the apprehension that it would be so expensive as to forbid its general adoption or make it a serious burden. Its actual application has shown that it increases postal receipts and can be accompanied by reduction in other branches of the service, so that the augmented revenues and accomplished savings together materially reduce the net cost."

In his first message to Congress President Roosevelt said:

Among the recent postal advances the success of rural free delivery wherever established has been so marked and actual experience has made its benefits so plain that the demand for its

extension is general and urgent. It is just that the great agricultural population should share in the improvements of this service.

Again, in his last annual message, the President says:

"The rural free-delivery service has been steadily extended. The attention of Congress is asked to the question of the compensation of the letter carriers and clerks engaged in the postal service, especially on the new rural free-delivery routes. More routes have been installed since the 1st of July last than in any like period in the Department's history. While a due regard to economy must be kept in mind in the establishment of new routes, yet the extension of the rural free-delivery system must be continued for reasons of sound public policy. No governmental movement of recent years has resulted in greater immediate benefit to the people of the country districts.

"Rural free delivery, taken in connection with the telephone, the bicycle, and the trolley, accomplishes much toward lessening the isolation of farm life and making it brighter and more attractive. In the immediate past the lack of just such facilities as these has driven many of the more active and restless young men and women from the farms to the cities, for they rebelled at loneliness and lack of mental companionship. It is unhealthy and undesirable for the cities to grow at the expense of the country; and rural free delivery is not only a good thing in itself, but is good because it is one of the causes which check this unwholesome tendency toward the urban concentration of our population at the expense of the country districts."

These indorsements demonstrate beyond the possibility of question that under Republican rule this service, fraught with so much good to the people of the rural communities, has been nurtured and cared for until it has become one of our permanent institutions, against which no political party will ever dare raise a voice.

At present New York has nearly 2,000 routes in operation; Pennsylvania, 2,100; Indiana, 2,200; Ohio, 2,500; Illinois, 2,800; Minnesota, 1,600; Missouri, 2,000; Nebraska, 1,000. In fact, almost all cases pending during the past year have been disposed of, and wherever an adequate number of people desired the service it has been established and put in daily use.

### INCREASED VALUE OF FARM LANDS.

The testimony of those who enjoy this service from all over the country proves that by reason of the free rural delivery the actual value of farm lands has been greatly increased. I have had farmers inform me that they would not dispense with the service for \$50 or even \$100 per annum. It has been estimated that the value of farm lands has risen by this means as high as \$5 per acre in many States. A moderate estimate would show a benefit to the farm lands of from \$1 to \$3 per acre.

## BETTER PRICES FOR FARM PRODUCTS.

A better knowledge of trade conditions is always of great advantage. The farmer is not only the producer, but he is also his own salesman, and it is essential that he should be acquainted with the daily prices of the produce he raises in order to know when it will be to his advantage to market his goods. He is now enabled to receive a city daily paper giving him quotations and prices of stock and produce, and in fact the changing values of everything he raises on the farm. By means of this better communication with the markets he is able to obtain better prices for all that the farm produces. He can also receive and dispatch mail much more quickly than before—in fact, he can in many cases obtain an answer to his letter on the day following its dispatch. In the old days our rural inhabitant was obliged to send to the post-office for his mail, and in the busy season, when his horses were busy in the fields, a week would sometimes elapse before he or any of his family could reach the post-office. Now there are delivered daily in the course of a year a half million pieces of mail on rural routes throughout the country to the farmers and inhabitants of the sparsely settled regions.

Increased facility always brings increased use and enjoyment. The increased number of letters written and newspapers subscribed for and received has so greatly augmented the revenues of the country's postal service as to make the rural free-delivery service almost self-sustaining.

Rural free delivery is encouraging the building of good roads. The farmer desires the delivery of his mail, and the Department wisely insists that each locality must furnish roads easily traversed if such a benefit is to be bestowed. In many localities, therefore, our people have taken the matter of good roads into consideration, and through their supervisors and commissioners have improved grades, turned waterways, built bridges, and thus not only aided the delivery of mail, but have facilitated general communication among our people.

This service has been practically established and built up within the last eleven years. During the last Administration of President Cleveland rural free delivery was condemned and rejected by the Committee on Post-Offices and Post-Roads of the House. Under this same Democratic Administration in 1894 the Postmaster-General refused to make use of the appropriation of \$10,000 offered him to begin the service. He stated that the project was unwise and could not be carried out. Under the Republican Administration it has been extended until it has become one of the most beneficial and useful portions of legislation provided by the Federal Government. It has become, under Republican prosperity and Republican administration of law, thoroughly established as one of our permanent institutions. Its general use and benefits are conclusive proof of the wisdom of recent Republican progress.



The House having under Consideration a Privileged  
Report from the Committee on Rules.

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SPEECH

OF

HON. JAMES S. SHERMAN,  
OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Monday, April 8, 1908.

Mr. SHERMAN said:

MR. SPEAKER: The solicitude of the honorable gentleman from Missouri [Mr. DE ARMOND] on behalf of himself and his colleagues for the sanctity of the Constitution of the United States is decidedly refreshing. It is within the memory of most of us in this Chamber, and those in whose memory it is not have read in history, that the time was, Mr. Speaker, not so very long ago when the Democratic party was not so solicitous for the Constitution as my honored friend from Missouri appears to be to-day. Their solicitude to-day seems to be over the matter of having useless roll calls. The absence of solicitude half a century ago with reference to a question of vastly greater consequences, a question which involved not a mere matter of procedure, but the matter of the life of a nation, and I am glad that the time has at last come when our Democratic friends are so solicitous that the Constitution should be sacredly lived up to. [Applause on the Republican side.]

The gentleman from Missouri intimates that the Republican side of the House desires to do away with the roll calls because of some fear of making a record upon some question before the House. Mr. Speaker, the Republican party in this House, the Republican party in this nation, is prepared to-day to accept full responsibility, not only for everything that is done, but for that which is not done in the way of legislation and administration. [Applause on the Republican side.] We recognize the fact, sir, that this Government to-day is Republican in all its branches. We recognize the fact that we have a Republican President, brave, wise, and courageous. We recognize that we have a Republican majority in the Senate, that we have a Republican majority in this House that is ready to resort to every legal, every proper constitutional right to enact such legislation as it deems for the best interest for the greatest number of our people, and which is willing and ready to accept full responsibility for all those measures which are introduced here and which are not enacted into law. [Applause on the Republican side.]

We are not anxious, Mr. Speaker, to avoid responsibility. The Republican party has always been ready to accept full responsibility when it has been in power, and in that respect I must say to my honored friend from Missouri that it is in direct contrast to the Democratic party, which, even when it has had

the power, has lacked the courage to carry out its declared policies. [Applause on the Republican side.]

The rule which has been proposed here, Mr. Speaker, is nothing extraordinary; it is a method laid down by the House procedure by which the majority can enact such legislation as it deems wise. It is practically and substantially the same procedure that was carried out in the Fifty-second and Fifty-third Congresses, when our Democratic friends were in a majority and when they were responsible for legislation. They invoked the action of the Committee on Rules, properly so, and that is what the Republican party in this House do to-day, Mr. Speaker; they resort, not to unusual methods, but to methods laid down by the rules, laid down by the law, to enact legislation, and not waste the time in useless and senseless roll calls.

The Democratic party, Mr. Speaker, under its present leadership in the House, I assume, believes that they are making great political capital by the filibuster of the past two weeks; but, Mr. Speaker, in my judgment they are not deceiving the country. The country knows that the way to progress is not to put on the brakes. The country knows, even if the Democratic party does not know, Mr. Speaker, that the way to move forward is to move forward and not attempt to block the wheels of progress.

But it is a Democratic policy; it has been heretofore, and I assume it will be long afterwards for many years yet to come, to attempt to move forward as the crab does—by moving backward. [Applause and laughter on the Republican side.] That is not Republican policy. The country is not deceived. The country is looking to the Republican party to enact certain legislation. It is looking to the Republican party to enact the great appropriation bills for carrying on this Government, and it is looking to this House to enact those laws at the speediest possible time, and to adjourn this House, and that is what the Republican party proposes to do. Our Democratic friends will discover, I expect, one of these days that they have not made the political capital out of the maneuvers of last week that they supposed they would. Democratic hindsight is always superior to Democratic foresight, Mr. Speaker. In that respect I think their situation can be described in the little verselet about the bug, with which we are all familiar, and which runs:

The lightning bug is brilliant; but it has not any mind;

It stumbles through existence, with its headlight on behind.

[Laughter and applause on the Republican side.]

That is just what the Democratic party is doing now. Its headlight is on behind. It seems to see nothing in the future; it seems to be attempting to deceive the country with the idea that it is accomplishing undesirable legislation, forcing the Republican party to do that which that party does not deem to be wise, forcing it in its forward progress by hanging on to the wheels of progress, attempting to prevent that vehicle from moving forward. But, Mr. Speaker, the Republican party, mindful of its obligations to the country, will, as the gentleman from Missouri [Mr. DE ARMOND] admits, adopt this rule and proceed, accepting full responsibility for its every act, and enact such legislation as it deems wise, pass the great appropriation bills, and then go to the country upon the record that it has made here, confident that the country understands the whole situation and will approve what has been done. [Applause on the Republican side.]

“No men living are more worthy to be trusted than those who toil up from poverty; none less inclined to take or touch aught which they have not honestly earned.”—LINCOLN.

“The American system of locating manufactories next to the plow and pasture has produced a result noticeable by the intelligent portion of all commercial nations.”—GRANT.

“A currency worth less than it purports to be worth will in the end defraud not only creditors but all those who are engaged in legitimate business, and none more surely than those who are dependent upon their daily labor for their daily bread.”—HAYES.

“Every citizen of the United States has an interest and a right in every election within the republic where national representatives are chosen. We insist that these laws relating to our national elections shall be enforced, not nullified.”—GARFIELD.

“The right of railway corporations to a fair and profitable return upon their investments and to reasonable freedom in their regulations must be recognized; but it seems only just that, so far as its constitutional authority will permit, Congress should protect the people at large in their interstate traffic against acts of injustice which the State governments are powerless to prevent.”—ARTHUR.

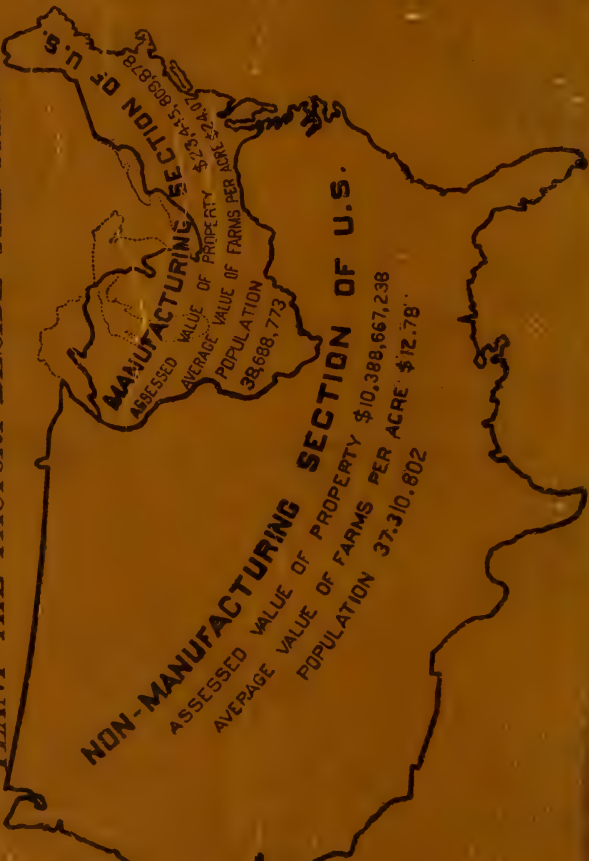
“I believe that the protective system has been a mighty instrument for the development of our national wealth and a most powerful agency in protecting the homes of our workingmen.”—HARRISON.

“To increase production here, diversify our productive enterprises, enlarge the field and increase the demand for American workmen; what American can oppose these worthy and patriotic objects?”—MCKINLEY.

“The present phenomenal prosperity has been won under a tariff made in accordance with certain fixed principles the most important of which is an avowed determination to protect the interests of the American producer, business man, wage-worker and farmer alike.”—ROOSEVELT.



# "PLANT THE FACTORY BESIDE THE FARM"



Relative conditions of prosperity in the manufacturing and non-manufacturing sections of the United States, respectively.

	Manufacturing Section.	Other States.
Per cent of total population of U. S.	50.9	49.1
Per cent of total area of U. S.	14.1	85.9
Gross value of manufactures in 1900.	\$10,021,718,461	\$2,988,313,053
Per cent of total Mfrs. produced in section.	77	23
Salaries and wages paid in Mfg. in 1900.	2,194,936,683	536,471,956
Number of persons employed in Mfg. 1900.	4,437,714	1,273,017
Average value per acre of all farm lands.	\$24.07	\$12.78
Average value per acre of all farm lands and bldgs.	32.50	14.55
Average value per acre of land (improved only) and buildings.		
Average value buildings per improved acre.	58.60	31.65
Av. value of implements owned per imp'd acre.	15.25	5.54
Average value per head of milch cows.	2.54	1.47
Average value per head of horses.	33.62	27.46
Av. value of all farm products, per imprvd acre.	60.87	43.32
Av. value of farm products, per person engaged.	141.00	101.40
Deposits in savings banks, total.	619.25	394.50
Deposits in all banks, total.	\$2,200,439,838	\$249,108,017
Bank clearings, average per capita.	56.90	6.67
Bank clearings, total.	5,949,984,845	1,364,666,395
Banking resources, average per capita.	153.80	37.10
Real and personal property, assessed valuation.	76,356,970,422	8,225,470,650
Salaries paid teachers in public schools.	1,973.50	220.40
Newspapers published, No.	8,013,200,000	2,167,500,000
Newspapers, aggregate circulation.	222.65	58.10
	23,445,809,898	10,388,667,238
	606.25	278.50
	85,234,961	52,452,785
	9.151	9.075
	6,168,125,816	2,000,023,133

Manufacturing section includes area north of the Potomac and Ohio, and east of the Mississippi, viz., the New England and Middle States, and Maryland, Pennsylvania, New York, New Jersey, Delaware, Connecticut, Massachusetts, Vermont, New Hampshire, Maine, Rhode Island, and Wisconsin.







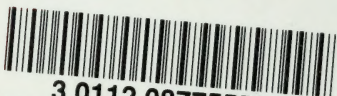








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